

OVERSEAS NEWS

Ban on speech highlights US split over Gorbachev

By Peter Riddell, US Editor, in Washington

LONG-RUNNING differences within the Bush Administration about the prospects for internal reform in the Soviet Union have erupted publicly in the blocking of a speech by Mr Robert Gates, the deputy national security adviser, at the insistence of Mr James Baker, the Secretary of State.

Mr Baker and his staff rejected two drafts of the speech because they regarded it as excessively pessimistic about President Mikhail Gorbachev's chances of success, especially in relation to the Soviet Union's economic and ethnic problems.

The State Department does not believe US officials should be publicly writing off Mr Gorbachev's policies and future, whatever their widely-shared private doubts.

Consequently, Mr Baker told Mr Brent Scowcroft, the national security adviser, and Mr Gates' superior, that it would be best if the speech was not delivered. He did not want misleading signals to be given at a time of closer discussions between the US and the Soviet Union.

The dispute follows two recent speeches by Mr Baker which have welcomed Mr Gorbachev's programme of perestroika and seen in it areas of advantage to the US. Following his meeting five weeks ago in Wyoming with Mr Eduard Shevardnadze, the Soviet Foreign Minister, Mr Baker has been taking an increasing public profile in arguing for a positive attitude towards changes in the Soviet bloc.

However, a number of other influential policymakers, including Mr Dick Cheney, the Defence Secretary, and members of the National Security Council staff, have expressed considerable doubts about Mr Gorbachev's prospects. They believe the US should be wary of changing its present strategic missile and arms control stance when there is no evidence of a fundamental change in Soviet nuclear policy and given that Mr Gorbachev could be replaced by a more hard-line Soviet leader.

Vice President Dan Quayle, who has acted as a lightning rod for the views of conservative Republicans, has also been

much cooler about Soviet reform than Mr Baker.

The conservative columnists Rowland Evans and Robert Novak yesterday reported that Mr Scowcroft had written "Very euphoric" on a copy of Mr Baker's recent speech on East-West relations.

The disclosure that Mr Baker successfully blocked the speech is certain to infuriate conservatives who are inherently suspicious of the State Department and praise Mr Gates as a realist about Soviet intentions.

Mr Gates was until the beginning of this year the deputy director of the Central Intelligence Agency and has made no secret of his doubts about whether Mr Gorbachev's political moves will really alter Soviet capacity and intentions. He has pointed to continued activity overseas by the KGB.

In the sections of his speech to which Mr Baker objected, Mr Gates apparently painted a very gloomy picture both of internal tensions within the Soviet Union and of the prospects for success of perestroika.

US Treasury to borrow \$17bn

By Peter Riddell

THE US Treasury is preparing to borrow \$17bn on an emergency basis early next week so it can pay social security benefits to 38.9m pensioners and put off a default by the federal government for a week.

The borrowing is necessary because of congressional deadlock over a bill to raise the federal debt ceiling. This has to be passed by Tuesday midnight otherwise a temporary increase in the ceiling to \$287 trillion (1,000 billion) approved three months ago, runs out and the ceiling reverts to \$28 trillion. The emergency borrowing on Monday and Tuesday will defer

the crunch until November 7. The problem is that a proposed permanent increase in the debt ceiling up to \$3.12 trillion passed by the House of Representatives has become tied up in the Senate with bitter arguments over a capital gains tax reduction.

Senator George Mitchell, Democrat majority leader, said the unprecedented early borrowing would cost taxpayers an extra \$20m, because of higher interest costs. "It's obviously a transparent political move in an effort to enhance the administration's effort to win a capital gains cut."

Hawke under attack over environment

By Chris Sherwell in Sydney

NINE leading Australian business groups yesterday mounted a vitriolic attack on Prime Minister Bob Hawke's Labour government, over its attitudes to the environment.

The unprecedented attack follows controversial government decisions raising a go-ahead for two large, export-earning projects: a \$150m pulp and paper mill in Tasmania, and a gold, platinum and palladium mine in the Northern Territory.

In a joint statement released in Canberra, the nine said recent government decisions had sent a clear message to Australian business. "That message is: resource development and business investment are subject to short-term political expediency."

The greatest threat to business investment is uncertainty. The uncertainty created by a government which goes back on its undertakings is undermining business confidence.

The signatories included the Business Council of Australia, the Confederation of Australian Industry, the Australian Cham-

ber of Commerce and the Australian Chamber of Manufacturers.

Also on the list were the Australian Mining Industry Council, the National Association of Forest Industries, the Australian Petroleum Exploration Association, the National Farmers' Federation and the Pulp and Paper Manufacturers' Federation.

The decisions have not ruled out the projects altogether, but they face lengthy delays at a critical time, and the participants are unsure whether the projects will ever begin. The groups said it was a fallacy for politicians and bureaucrats to assume that deferral of investment proposals was costless.

The costs of indecision and uncertainty were not to be measured in terms of jobs and export income, they added, but in terms of import replacements, lost opportunities, technological progress and the development of an efficient, value-added manufacturing sector.

Referring to the government's Resources Assessment Commission, designed to

weigh all interests, the group said: "The Government has yet to provide any undertaking that the process will replace short-term political expediency. Business cannot confidently invest in the current climate," they declared. "We urge the Government to renew business confidence by establishing and abiding by clear and firm guidelines for investment and environmental protection."

● Australia and Indonesia have agreed details of a treaty covering the "Timor Gap" the oil-rich Timor Sea area between the north coast of Australia and the Indonesian island of Timor.

Mr Gareth Evans, the Foreign Minister, and Mr Peter Cook, Resources Minister, said yesterday the agreement would be signed in December. The treaty divides the area into three parts, one for each country and a third for joint development.

It sets out details for joint area exploration, mining, regulation, and royalty and taxation arrangements. Bids for exploration licences are expected to be called next year.

Tourist was murdered, Kenyan court rules

A KENYAN court ruled yesterday that a UK tourist who died last year in a game reserve was murdered, rejecting charges of an official cover-up, AP reports from Nairobi.

"I think the animals are innocent," said Chief Magistrate Joseph Mungu, rejecting the state's contention that Julie West, 28, had been eaten by a lioness. "There is ample evidence that Julie Ward died of foul play by a person or persons unknown." He "saw no reason" to direct that her death be investigated further.

US jail riot ends

Police firing tear gas stormed a Federal penitentiary and freed three remaining hostages yesterday, to end a second night of rioting. Reuter reports from Camp Hill. "We are once again in control," an official said. Some 44 guards, and inmates were injured during 14 hours' rioting.

Spending steady

US personal disposable income and spending were unchanged in real terms in September, the Commerce Department said yesterday, Anthony Harris reports from Washington.

The August car sales boom slowed somewhat, with heavy buying of discounted cars cutting the personal savings rate to 5.1 per cent over the third quarter, against 5.4 per cent in the second quarter.

Marcos ruling

The Philippines Supreme Court yesterday rejected a petition to allow the family of Ferdinand Marcos to return to the country with his body, ruling the dead former president remained a threat to national security, Reuter reports.

Tokyo prices up

Consumer prices in Tokyo have risen by 3.3 per cent this month against the same period last year, due to labour shortages, higher oil prices and the fall in the yen, the Management and Co-ordination Agency said, Stefan Wagstyl reports from Tokyo.

The increase is the sixth monthly rise in succession of 3 per cent or more. Nationwide prices in September rose 2 per cent.

Ivory Coast loan

Ivory Coast has been awarded a World Bank loan of \$210m financing the country's structural adjustment programme, Mark Hubbard reports from Abidjan. The loan exceeds the \$187m which had been expected. Repayment will be over 20 years beginning in 1995, with 7.74 per cent interest.

Uruguay meeting

Uruguay and its leading creditor banks have agreed to meet in New York on the week beginning December 11, to continue discussions on a debt reduction package, AP-DJ reports. The two sides are discussing a debt reduction package including buy-back of loans from creditor banks.

Brussels explains TV duties

By Tim Dickson in Brussels

THE European Commission yesterday invoked long-term consumer interests to justify its decision to impose provisional anti-dumping duties on small-screen colour television (SCTV) sets made in South Korea.

The duties, which have to be confirmed by EC foreign ministers, range from 10 to 13 per cent in the case of the three main Korean producers (Daewoo, Goldstar and Samsung) and up to 19.6 per cent for all other exporters.

In an unusually detailed press release accompanying the announcement - which officials privately admit reflects sensitivity to recent criticism of EC dumping actions - the Commission said the injury to Community producers is "material".

The domestic industry, which includes Philips, Thomson, Grundig and Nokia, had "lost important market shares and suffered an unsustainable pressure on prices as a result".

Such damage "threatens the present viability and future development of the whole Community television industry, and must also be seen in the context of related technologies throughout the consumer electronics sector".

The Brussels statement stressed that to establish the "general Community interest" the Commission has weighed two main sets of interests: those of producers and those of consumers. "After careful consideration, it concludes that in this case the benefits of protective measures for producers outweigh the possibility of very limited and short-term undesirable effects for the consumers".

In the absence of dumping duties, the SCTV industry could disappear, with substantial job losses, while by seriously damaging the television industry's general marketing base its potential in the large-screen sector would be weakened, "and this at a crucial time given the current advance towards high-definition television technology".

Gandhi v Gandhi in India poll

By David Housego in New Delhi

DECLARING that he could no longer be a "mute witness to the assault on India's democratic values, Mr Rajmohan Gandhi, the grandson of Mahatma Gandhi, yesterday defended his decision to stand as the opposition's candidate against Prime Minister Rajiv Gandhi in the Amethi constituency in Uttar Pradesh.

At a crowded press conference in New Delhi, Mr Rajmohan Gandhi described his candidature in the language of a moral crusade against what he called "corruption at the highest level". The opposition's announcement that he would stand against the Prime Minister has been one of the big surprises of the campaign so far, and is bound to give the Prime Minister a tougher battle on his home territory - if only because of the confusion

of names and because it pits two of India's best-known families against each other.

Mr Rajmohan Gandhi, 54, joined the Janata Dal, the main opposition party, only two months ago and confessed yesterday that he had never visited Amethi. Describing himself as a writer and scholar, he answered questions wittily and urbane.

The main charge that seems likely to haunt him through the campaign is that he was an activist in Moral Rearmament - the movement identified with right-wing crusading anti-communism. Mr Gandhi said yesterday he still supported the ideals of the movement, but said: "I have never hated the Communists and do not hate them. I am looking forward to working with the Communists to fight the anti-democratic forces."

Asked whether he would make use of the fact that he is a grandson of the Mahatma in the campaign, he drew laughter by saying: "I will not hide the fact."

The humorous tone of the press conference was in sharp contrast to the grim reports from east Bihar of a rising death toll in rioting between Hindus and Muslims. Over 70 people are said to have been killed since Sunday in Bhagalpur and other towns.

Large contingents of troops have been flown to the region to halt the violence. Mr Datta Singh, the Home Minister, said the government was considering banning religious processions and demonstrations. Hindu fundamentalists' processions appear to have been at the root of the riots.

González may need to seek pacts

By Peter Bruce in Madrid

MORE THAN 20m Spaniards go to the polls tomorrow in a general election which could bring to an end seven years of majority government by Prime Minister Felipe González's Socialist Party.

Polls suggest the Socialists will win between 18 and 22 seats in the 350-seat Cortes in Madrid. The loss of more than nine of his 184 seats would force Mr González either to form a coalition, which he has said he will not do, or to make political pacts with the small, conservative Basque or Cata-

lan nationalist parties.

The chief threat has emerged in the past month from the communist-led Izquierda Unida (IU), which has been campaigning on the government's failure to bring down high unemployment and on fears that Mr González intends to impose tough economic restrictions on the country after tomorrow to combat rising inflation and a record trade deficit.

Although the IU may triple its current seven seats in the Cortes, it is highly unlikely to play a role in the next government.

Mr González has said he will not campaign as Prime Minister again, but even if he is forced to govern, though, he is unlikely to call new elections before 1992, when Spain hosts the Olympic Games and the World Cup.

The chances of his retaining an overall majority tomorrow are, anyway, quite good provided the normally efficient Socialist machine is able to bring out its voters. Predictions of a low turnout also tend to favour the government.

KGB closes anti-dissident section

By Quentin Peel in Moscow

THE Soviet KGB, source of political dissidents for decades, has closed down one of its principal departments for their investigation and surveillance, Gen Vladimir Kryuchkov, the chairman of the state security committee, has revealed.

The so-called Fifth Department, or Fifth Chief Directorate, used to be responsible for all forms of political dissent, including religious dissent, ethnic minorities, the intelligentsia and the artistic community, and the censorship of literature.

However he revealed that a new department, for the "protection of the Soviet constitution," would still deal with "subversive activities of anti-socialist elements within the country" - a definition which would certainly include many political dissidents.

Gen Kryuchkov, who has become a high-profile ally of President Mikhail Gorbachev, admitted that the Fifth Department had been responsible for "mistakes, shortcomings, and regrettable even excesses".

He indicated to the government newspaper Izvestia that the new department for the protection of the constitution would still provide for some control of internal dissent.

However he added that the new department would require "a high level of legal knowledge, and a humanitarian approach to each individual" from KGB operatives.

It had been responsible for "mistakes, shortcomings, and regrettable even excesses".

He indicated to the government newspaper Izvestia that the new department for the protection of the constitution would still provide for some control of internal dissent.

However he added that the new department would require "a high level of legal knowledge, and a humanitarian approach to each individual" from KGB operatives.

Israel denies N-aid for S Africa

By Tony Walker in Jerusalem

ISRAEL HAS vigorously denied a US television report that it is helping South Africa build an intermediate-range nuclear missile, but Israeli officials have clearly been rattled by the allegations.

Mr Yitzhak Shamir, Israel's premier, rejected the NBC report as "an utter lie".

The allegation comes at a particularly awkward moment in Israeli-US relations, which have already been made tense by serious disagreements over steps towards Middle East peace.

Israeli observers say Washington may well have leaked embarrassing information about alleged Israeli-South African nuclear collaboration as a way of exerting additional pressure on Mr Shamir.

The Israeli premier is widely regarded as one of the main obstacles to reviving a genuine Middle East peace process because of his refusal to consider any formula that would involve exchanging territory for peace in the West Bank and Gaza Strip.

NBC News, citing US officials and intelligence sources, reported that Israel had ignored "discreet protests" from Washington and appeared to be expanding its strategic relationship with South Africa.

NBC quoted the intelligence sources as saying the CIA was ready to "lay out the evidence of the Jerusalem-Pretoria missile pact to appropriate committees in Congress". It said the evidence was "irrefutable".

Adding to concern in Israel over the whole affair is the fact that Congress is empowered to

cut off aid to nations violating long-standing arms embargoes against South Africa.

Israel receives some \$3bn (\$1.5bn) a year in foreign aid from the US. The money helps Israel maintain high levels of defence spending and many of the elements of a welfare state.

NBC reported that Israel, which has developed its own nuclear-capable intermediate range ballistic missile, had secretly given South Africa access to the nuclear club.

It said the deal between Israel and South Africa involved an exchange of Israeli technology for a long-range test site in South Africa and supplies of enriched uranium.

The Israel-South African missile was reportedly first tested on July 5, and flew some 1,000 miles.

**IS SEARCHING OUT
THE BEST INVESTMENT ADVICE
GIVING YOU A HEADACHE?**



With all the different sources available for today's investor, finding the right advice can become a burden.

A visit to The International Money Show at Olympia, from 2nd to 5th November, will take a weight off your mind.

You will find a wealth of professional information and advice on every kind of investment opportunity - all under one roof.

A day spent at The International Money Show will be one of the best investments you'll ever make.

For tickets, either write or call FIE - Finance and Investment Events Ltd., 34 The Quadrant, Richmond, Surrey TW9 1DN, Tel: 01-940 2244.

THE 1989 LONDON INTERNATIONAL MONEY SHOW
OLYMPIA - NOVEMBER 2-5

INVESTMENTS - MORTGAGES - PENSIONS - TAXATION
RETIREMENT PLANNING - BUSINESS FINANCING - SAVINGS

Fighting for New York's poisoned chalice

Janet Bush reports on the closely-run race for the mayoralty of an afflicted city

TWO large dollar sums have dominated the newspaper headlines and the campaign for Mayor of New York over the past week.

Last Friday, \$50,000 (\$27,000) was the central issue at a general election press conference given by Mr David Dinkins, the Democratic candidate.

Mr Dinkins, who earlier in the campaign came under fire because of his alleged failure to file income tax returns for four years running, sought to explain the difference between the sum value placed on a block of stock in a communications company in sworn state documents, and the \$58,000 price tag said to have been put on the shares when sold to his son.

Mr Rudolph Giuliani, Republican candidate for mayor and former US attorney for the Southern District of New York, charged that, based on these figures, Mr Dinkins should have paid state gift tax.

Innuendoes about Mr Dinkins' handling of his personal finances have formed the centrepiece of a negative advertising campaign by the Giuliani camp which appears to have had the desired effect.

The latest opinion poll published on Tuesday suggested that Mr Dinkins' substantial lead over Mr Giuliani had been cut in the space of a week from 19 points to just four. Suddenly, the prospect of New York electing its first black mayor no longer seemed such a foregone conclusion.

Although the poll may exaggerate Mr Dinkins' fall from grace (it polled only 501 registered voters on a Sunday), there is no doubt that the \$58,000 figure has turned small

questions about the Democratic candidate's personal finances into large questions about whether he can handle the city's increasingly chronic fiscal situation.

The second, much larger figure making headlines this week is \$2bn. That is the city's projected budget deficit in fiscal 1993 according to the Office of the State Deputy Comptroller.

As the two candidates limp into the final stretch of the campaign, their ability to debate the issues hobbled by the tit-for-tat over alleged financial improprieties, New York's deteriorating economy and budget has virtually been ignored.

Shades of the fiscal crisis which had the city on the verge of bankruptcy in the mid-1970s loomed over the candidates on Tuesday when Moody's, the credit rating agency, signalled its displeasure that "none of the mayoral candidates have focused their comments on future financial performance with any specificity".

Moody's warned that preserving the current A rating on New York's general obligation bonds would depend directly on the new mayor maintaining fiscal responsibility and balanced budgets without sacrificing the current programme to

rebuild the city's crumbling infrastructure, at a cost of billions, comes at a time when the city is barely coping with the demands of the crack and AIDS epidemics, rising homelessness and disease and crisis in education and the hospitals.

A strong economy during the first half of the 1980s meant New York was able to institute

a series of big capital spending programmes and provide one of the best social service safety nets of any American inner city.

Now, when demands on social services are rising rapidly, the economy is stagnating and tax revenues are sharply below those used in the city's budget assumptions.

The October 1987 stock market crash, which led to the loss of more than 22,000 jobs in the key financial sector, continues to have a depressing effect on the city economy, which has not generated any job growth in the private sector for two years.

Ms Elinor Bachrach, special deputy comptroller, does not believe the city faces anything like the fiscal crisis of the 1970s. "We are talking gloom, not doom, but there are still going to be some tough choices and neither mayoral candidate is focusing on the financial situation as much as we would like."

Her office, set up to monitor the city's fiscal behaviour after the near-bankruptcy, is far more pessimistic than the outgoing administration. "The main difference between their forecasts is that the Koch administration is assuming public-sector pay rises of only 1.5 per cent while Ms Bach-

rach's office is looking at a more realistic figure of 5 per cent.

Her projections are for a budget shortfall (which has to be closed by law) of \$1.5bn in fiscal 1991, \$1.9bn in fiscal 1992 and \$2bn in fiscal 1993.

Outgoing Mayor Ed Koch earlier this week announced measures to close a projected \$2.2bn fiscal year-end deficit, which included a \$200m reduction in spending, cutting across practically every city agency.

Mr Koch said: "Many of these actions will be painful but I believe they are necessary. It is clear that New York City is facing a difficult period."

Both of his possible successors have talked vaguely about a 1 per cent cut in spending across the board. However wins may find the new austerity will have to be much more dramatic than that.

FINANCIAL TIMES
Published by the Financial Times (Europe) Ltd., Frankfurt, Germany, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, Palmer, London, Printer: Frankfurt Societate-Druckerei-GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen. Financial Times, Number One Southwark Bridge, London SE1 9HL. © The Financial Times Ltd, 1989.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. US subscription rates: \$52.00 per volume (year) and class postage paid at New York, NY. Second-class mailing office. POSTMASTER: send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Financial Times (Scandinavia) Ltd, Ostergade 44, DK-1100 Copenhagen, Denmark. Telephone (01) 13 44 41. Fax (01) 933325.

OVERSEAS NEWS

More unilateral Soviet troop withdrawals announced
Warsaw Pact ministers warn against upsetting borders

By Quentin Peel in Moscow and Christopher Bobinski in Warsaw

ATTEMPTS to question the existing borders of Europe could undermine Europe's stability, Warsaw Pact foreign ministers said yesterday in a clear reference to the issue of German reunification. The ministers reiterated the right of all states to be able to "choose freely the roads of social, political and economic development with no external interference." This was decided despite the presence of Mr Ioan Totu, the Romanian representative, whose ruling Communist Party in August mooted the idea of a Warsaw Pact intervention in Poland to stop the installation of a Solidarity government. The declaration on non-interference in the internal affairs of other nations is in line with present Soviet policy which has been shown to be extremely tolerant of developments in Poland and Hungary. Ministers Mr Egon Krenz, Shevardnadze, the Soviet Foreign Minister, speaking in an unprecedented interview yesterday with the Solidarity newspaper Gazeta Wyborcza refused to condemn the Warsaw Pact intervention in Czechoslovakia in 1968. He said it was for the Czechoslovak leadership to assess the events of that year and that the Soviet Union did not have the right to impose any other view. But he did add that the decision to go in had been a common Warsaw Pact one and that there had been

Mr Egon Krenz, East Germany's new Communist leader, will make an official visit to Moscow next week, Reuters reports from Moscow. In Bonn, the mass circulation newspaper Bild quoted well-informed Moscow officials as saying Mr Krenz would meet Mr Mikhail Gorbachev, the Soviet leader, and other senior politicians during a visit on Tuesday. "Egon Krenz will be making a visit at the end of October and the beginning of November but I have no further details at the moment," Mr Vadim Perfilov, a spokesman, told a news briefing. Mr Krenz took over as leader of East Germany's Communist party last week from Mr Erich Honecker. Mr Gorbachev, who visited East Berlin three weeks ago for the country's 40th anniversary celebrations, invited Mr Krenz to visit Moscow when he telephoned him to congratulate him on taking up his new position.

appeals from Czechs for help. In a reference to conventional arms reduction talks in Vienna between Nato and the Warsaw Pact the ministers said they wanted reductions to be achieved by the end of next year to be preceded by an agreement signed by a European summit including the US and Canada. As part of a series of unilateral troop withdrawals from Europe, General Mikhail Moiseyev, the chief of the Soviet General Staff, announced yesterday that troop strengths along the Finnish border and in the Baltic area would be cut by 40,000 men, and tank strength by half by 1991. The cuts will involve 1,200 tanks, as well as unspecified reductions in artillery, in order to convert the North-Western army group to a "purely defensive" role, he said. His announcement, clearly intended to coincide with President Mikhail Gorbachev's state visit to Finland, said further cuts depended on reciprocal steps by the US and Nato. He made it clear, in an interview with Tass, the official news agency, that cuts were part of the unilateral reduction in Soviet armed forces announced by President Gorbachev last December.



However, particularly in the Leningrad and Baltic areas, where he said the personnel cuts amount to one third of existing strength, the reductions are disproportionately large. The Baltic area, including the three Soviet republics of Estonia, Latvia and Lithuania, is not normally included in the North-West region, but troops there can be seen also as a political concession to local resentment against the presence of large Red Army contingents. However he expressed his concern at the "lack of prospects for the complete liquidation of nuclear weapons in the region" and by what he described as recent setbacks to disarmament. "They find expression above all in Nato's unwillingness to carry on negotiations on naval forces, to extend confidence-building measures to the naval activities of both blocs, especially in the Atlantic, and in the Norwegian and Baltic Seas," he said.

UK NEWS

Accountants are brought to book
David Waller looks forward to the launch of the Dearing regime

THE UK's accountancy profession has been breathing a collective sigh of relief in the past two days. After nearly a year of deliberation, the Government has found someone to implement the so-called Dearing accounting standards regime. And that person is none other than Sir Ron Dearing, the man who put the proposals together. The appointment of the former chairman of the Post Office on Wednesday came not a moment too late. The aim of Sir Ron's original proposals was to usher in a tougher financial reporting regime in the UK. Implicit in the Government's acceptance of the proposals was a recognition that the UK was the home of much accounting laxity. It was natural to assume that the longer the Government dithered over the appointment, the worse the situation would become. The man to replace the Government first endorsed the proposals last November that finance directors and other interested parties could be forgiven for having forgotten the details. The idea - which over the next few months may become real - is to set up a Financial Reporting Council and subsidiary bodies to devise accountancy standards and monitor compliance with them. The new organisation is designed to replace the Accounting Standards Committee set up 12 years ago, which draws its membership from the accounting profession. Unlike the ASC, the council and its ancillary bodies - the Accounting Standards Board and the Review Panel - will be independent of the pro-

feSSION. It will have greater resources and will be given more "teeth." In conception, the council is consistent with the tradition of self-regulation enjoyed by accountants, merchant bankers and other professionals. The toughening-up it envisages seeks to allay the fears of those who say what is needed is some form of government regulation such as that in the US and in many other countries. That a new regime is required is beyond doubt. The ASC is under-resourced, has no full-time staff other than those belonging to a small secretariat, meets only once a month, and has not had time to develop a "global" picture on the purpose of financial reporting. Mr Graham Stacy, a senior partner at Price Waterhouse, said yesterday: "It does not have the resources to anticipate events, it can only be reactive. And when it does react, it is only very slowly. It takes three or four years for anything to happen." That is evident from a look at some important accounting issues of the day. The ASC, through no fault of its own, has yet to come out with a recommendation on the way companies should deal with brands. Its thinking on the vexed issue of goodwill - the difference between the book value of a company and the price paid for it - has been known for months but has still to be formalised into an official Exposure Draft. A standard on accounting for pension costs was the light of day last year after six years of debate. To the extent that its recommendations are contentious -



Sir Ron: proposals aim at tougher reporting regime

as they will be in the case of goodwill - it has no power to override finance directors nor to bend the rules for the sake of boosting earnings per share. As one fund manager put it a few months ago - referring to the abuse of acquisition accounting - "the bull market in UK equities spawned a bull market in lax accounting policies." The Accounting Standards Board, the new version of the ASC, will have a full-time chairman and director and the power to issue its own standards without having to obtain the backing of each of the UK's myriad accountancy profes-

Anatomy of a march in E Berlin

This week has seen another wave of reform demonstrations in East Germany. The authorities are bending but are insisting that "dialogue" does not take place on the street: should demonstrations escalate, a ban is likely. David Goodhart marched with the demonstrators earlier this week in East Berlin and found the atmosphere surprisingly gentle



CHONELLE Allee, one of East Berlin's finest residential avenues, flickered with the candles of young marchers as far as the eye can see, with dozens of balconies along the avenue responding with their own candles of solidarity. It is one of the most impressive, and unexpected, sights in an Eastern Europe hardly short of them these days. The marchers were a mixed bunch but the leading section could have come from a student demo in London - an excitable youth wrapped in a PLO scarf, a few punks, earnest-looking young Christians. At the head was a woman of 20 holding a large picture of a butterfly. Considering their youth, and the fact that the previous march in East Berlin on October 7-8 had been broken up by truncheon-wielding policemen, there was a remarkable confidence about the 6,000 marchers. With their candles and jolly chants - "Schnitzler (a conservative TV commentator) for the Muppet Show" - it felt more like a carnival than a defiant protest. East Berlin cannot, yet, match those old strongholds of socialist agitation like Leipzig which is bringing hundreds of thousands onto the streets. But Berlin is the brains of the East German reform movement to Leipzig's brawn. Temporarily, the brain has found a home in the Getsemane Church, just off Schö-

halle Allee, whose walls have become an open newspaper for the movement. It was from there that the impromptu march began after a two-hour political meeting. The 3,000 crammed into the church for the meeting were even more mixed than the marchers and included plenty of "ordinary" people - stocky workers in leather jackets, young secretaries and nurses, Christian families. But the tone was set by the intellectuals - writers, artists, designers - with their sensitive, engaged, faces and (for the most part) Brecht haircuts, who together create a politically committed, anti-establishment style similar to the Greens in West Germany. After singing a Hebrew chant, listening to a strange sermon about Jerusalem and an even stranger Polish recital - which had some of the workers shifting impatiently in their seats - the real business began: open letters to the authorities from two dozen individuals or representatives of the half dozen reform groups. The demands are becoming ever more bold and specific and now include UN supervision of multi-party elections, a school and legal system independent of the party, and the abolition of military service. Immediate demands are cry-

ing for a properly independent inquiry into ballot-rigging in last May's communal elections, and ditto for the police attack on marchers three weeks ago. The woman sitting next to me, a secretary, said she now spoke quite openly at work about attending such meetings. After the meeting, while the older people and the families went home and the organisers of the meeting stayed in the church, many of the younger participants, without visible organisation or hierarchy, began their march. Turning into Schönhahe Allee there was a tense moment when nobody knew quite how the half-dozen policemen there would react; the new liberalism prevailed and they agreed to shepherd the march to the People's Parliament in the centre of town where the marchers wanted to deliver a letter. Soon, the marchers, all smiles and laughter, found voice and began shouting "Join us" or "On the streets" or "TVs off! Come outside" to their mainly rather bewildered-looking fellow citizens. Some did join them, and a good number of by-standers - perhaps one-third - indicated their support in some way. Most just stared. As the march got into its stride, the woman with the butterfly was replaced by a

group holding a political banner, and a slightly harder, but far from menacing, atmosphere set in. One old man said this was the third great change he had lived through - the previous two being 1953 and 1945. More representative of the marchers was Alexandra, a pretty 18 year-old nurse with candle-wax all over her hand, who said she had always been against the system because of her Catholic faith. She added that many of her fellow nurses had fled to West Germany but she wanted to stay. They passed the offices of ADN - the official news agency - and shouted "Press freedom" and "Free elections". In Karl Liebknecht Street a middle-aged man just stood on the pavement applauding with tears running down his face. An official-looking woman bustled by and shouted the equivalent of "Get back to work, you lazy buggers". Soon they were in the Marx and Engels Square in front of the parliament and the leaderless marchers did not know quite what to do. Some sat down in front of the parliament, others argued, moderately, with a middle-ranking official about whether their letter would be delivered. Then, with some muttering from the militants, they went home. It had been a confidence-building evening for reform.

100,000 join stormy reform debate in Dresden

Nearly 100,000 people gathered in Dresden for a stormy debate on political reforms with Mr Hans Modrow, the reformist party leader in Dresden District, who is seen as a possible successor to Mr Egon Krenz, the new East German leader. Tens of thousands of East Germans demonstrated peacefully for democracy in Erfurt, Rostock and Chemnitz as the debate took place on Thursday. Mr Modrow told the huge crowd in the centre of Dresden that the political upheaval of recent weeks would lead to a "revolutionary turning point" which could end the debate. But the audience, which came from all over Saxony, reserved its biggest applause for Dr Frank Teilkamp, a physician, who questioned whether socialism in East Germany had a "right to survive". He said that 8.5m East Germans had left their country since its founding because they felt they were not represented by the state. "A state which

does not respect the needs of its people dissolves itself," he said to thunderous applause. Dr Teilkamp demanded free elections, a market-oriented economy and the abandonment by the party of its "monopoly on power". When the moderator of the discussion tried to stop him from reading a state-ment supported by 40 fellow-physicians, the crowd angrily demanded that Dr Teilkamp be allowed to continue. Mr Ralf Bürger, a spokesman for the independent Reform trade union which was recently founded in a factory outside East Berlin, said the authorities had not interfered with his work. "We aim to obtain official registration and want to organise members in our company and elsewhere." The newly-formed union was demanding that the party and Communist Youth Organisation halt activities in factories and offices. These, he said, contributed nothing to production and were a "drain on profits."

Prague seeks to forestall protests with detentions

THE Czechoslovak authorities yesterday held leading members of the Charter 77 human rights group on the eve of planned protests today in Prague against the conservative leadership. Mr Vaclav Havel, the playwright and spokesman for Charter 77, was detained in his flat along with other prominent opposition members. They had called for a demonstration on the anniversary today of the founding of the Czechoslovak Republic in 1918. The authorities, however, announced that Wenceslas Square, the planned site of the demonstration, would be closed because of a swearing-in ceremony of army recruits. Nearly 10,000 people demonstrated there on last year's anniversary. Father Vaclav Malý, a priest and prominent member of Charter 77, said by telephone from Prague that Czechoslovaks were closely watching the unrest in neighbouring East

Germany. "But whether people here will have the courage to demonstrate is another matter," he said. Father Malý noted that the official Czechoslovak media had refrained from attacks on the opposition and had reported in detail on the peaceful nature of the demonstrations in East Germany. Mr Ladislav Adamec, the Czechoslovak Prime Minister, said during a visit to Austria this past week that the reforms in 1988 of the ousted leader Mr Alexander Dubcek had a "number of positive elements" which could not be implemented under conditions then. But Mr Adamec, who favours widespread economic reforms, attacked Mr Havel and Mr Jiri Hajek, a former foreign minister and prominent Charter 77 member, as "zeros". Mr Adamec said a dialogue with independent groups would lead to the "liquidation" of the Communist Party and socialism.

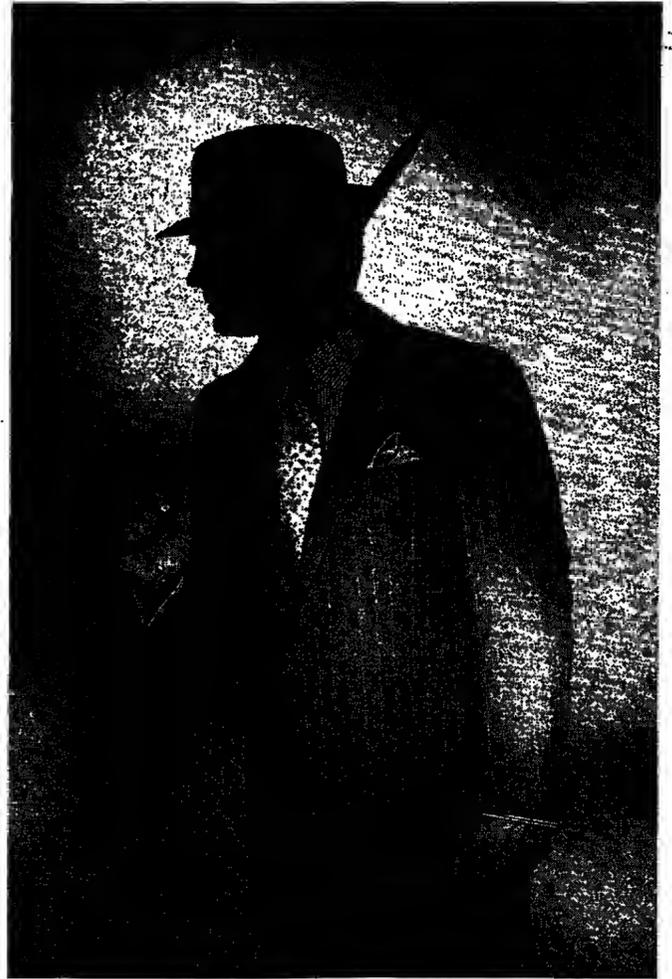
Legal move fails to stop £6m factory

PLANS for a £6m chemical recycling plant near Rotherham, South Yorkshire, were approved in the High Court yesterday although proper planning permission for the project was not followed. Mr Justice Schiemann dismissed an application by Mr William Rankin, who lives less than half a mile from the site, for a declaration that planning permission was invalid and for an injunction stopping further construction. Work started about eight months ago. The judge said Rotherham Council had proceeded on a "legally erroneous basis" in granting planning permission for the plant to Safety-Kleen (UK) but had not been guilty of "deliberate subterfuge." Mr John Hensley, Mr Rankin's counsel, told the court that planning permission was granted in 1986 for the plant to purify and recycle solvents and thinners for industry. He argued that a notice of application for planning permission should have been posted at the site and a statement of the plant's possible effects on the environment given to the local authority. That was not done. Mr Justice Schiemann agreed. He said Rotherham Council had proceeded on a wrong legal basis and he would have revoked the planning permission but for several discretionary factors. He said there had been undue delay by Mr Rankin in bringing his legal challenge to the planning permission. "Planning decisions frequently result in substantial expenditure of money, so a speedy challenge is in general required." He said Safety-Kleen had at all times acted in good faith and had not tried to conceal anything from the council. Many of the fears of local residents about the plant were based on misinformation. "Permission was not challenged until practically a year after it was granted, then it was challenged with no prior warning. Meanwhile Safety-Kleen has entered into contracts and started building the plant. Safety-Kleen has not been guilty of any deliberate subterfuge, nor has the local planning authority."

Record £6.3m city grant award

By Ian Hamilton Fazey, Northern Correspondent

THE LARGEST single city grant was announced by the Government yesterday. It concerns £6.3m marked for reclaiming 48 acres of sterile, derelict industrial land near the centre of St Helens, Merseyside. The scheme will reduce dereliction in the town by 30 per cent. The land has housed a wide mixture of now closed industry since the industrial



THE PERFECT WORKING ENVIRONMENT
See the new business range of hand tailored suits by Chester Barrie.
From E475 at Austin Reed, Regent Street and major branches.
AUSTIN REED of Regent Street

UK NEWS

North Sea gasfield will be dedicated to power supply

By Maurice Samuelson

A NORTH SEA gasfield is expected to become the first to be developed solely for power generation as part of the electricity industry's move to reduce its dependence on coal. PowerGen, one of the companies to be formed from the Central Electricity Generating Board, is in close talks with Atlantic Richfield, the US oil company, over use of the Pickerrill field, in the North Sea's southern basin, 60 miles off the east coast of England. It would provide fuel for a 1,000 megawatt power station planned by PowerGen at Kilmington, Humberside. Completing the deal will strengthen the credibility of

gas as a competitor to coal in the British electricity market. PowerGen and National Power, its bigger sister company, have a number of gas-burning power stations on the drawing board. Most of the plants proposed by independent generators are also gas-fired. The Pickerrill field, with at least 850 bn cu ft of saleable gas, is relatively large in North Sea terms. Discovered five years ago, it could be brought on stream in 1991 and would have a life of about 20 years. The cost of developing it, including building a pipeline to the coast, is put at some £200m.

Because of its previous scarcity, gas is at present only used by the electricity industry to meet peaks in winter demand. However, with increasing quantities becoming available, it is becoming competitive with coal, Britain's primary power station fuel. Gas is also claimed to be less harmful to the atmosphere than large-scale coal burning in power stations, which requires expensive anti-pollution equipment. Atlantic Richfield, with a 30.75 per cent stake, will operate the Pickerrill field. The second-biggest shareholder, with 18 per cent, is British Petroleum.

Homes Assured had offshore accounts

By Richard Waters

FRAUD squad inquiries into Homes Assured, the former financial services group whose directors included Sir Edward de Caen, are focusing on accounts held with a Danish bank on the Isle of Man.

Homes Assured and its 12 subsidiaries each had an account with the bank, Andelsbanken, in addition to their main banking relationship in the UK with National Westminster. The accounts were opened with a Scandinavian private banking operation called Hellerup, which was later taken over and renamed Andelsbanken in May last year. It is not known why the company, a nationwide group that arranged endowment mortgages and home improvement loans for council tenants seeking to buy their homes, maintained the offshore accounts, or the extent to which they were used.

According to an undated internal document passed to the liquidators, Hellerup was listed at one time as having about a 3.5 per cent shareholding in Homes Assured. Homes Assured Corporation was wound up on a petition by Andelsbanken, a creditor, for £24,513 under an overdraft facility. Mr Antonio da Costa Ferreira, managing director of Andelsbanken in the Isle of Man, refused yesterday to discuss his bank's relationship with Homes Assured on the ground that such discussion would contravene the island's banking act.

He confirmed, though, that Homes Assured had been a client.

Ulster High Court judge appointed

MR JOHN SHELL, QC, the son of a former High Court judge, was yesterday appointed a Northern Ireland High Court judge by Lord Mackay, the Lord Chancellor. Lord Justice O'Donnell, an Appeal Court judge, who retired yesterday, is to be replaced by Mr Justice Murray.

Losses Lloyd's cannot quantify

Patrick Cockburn examines the effect of new rules on open years

IN THE middle of 1988, H. G. Chester & Co, a managing agent in the Lloyd's of London insurance market, noticed that notification of impending claims for 1986 on its syndicate Marine 65 for pollution and asbestos liabilities in the US had begun to increase alarmingly.

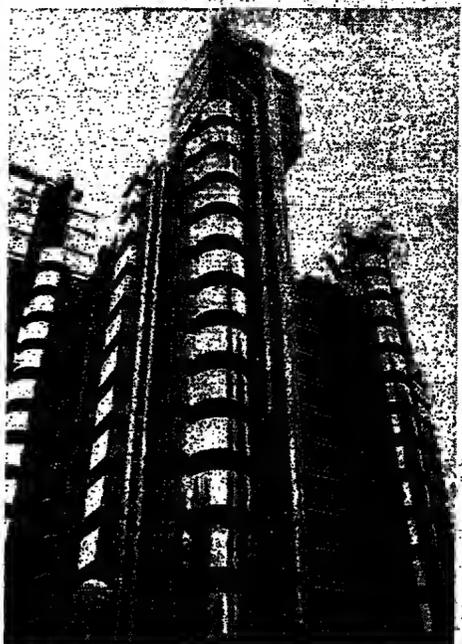
By April this year, actuaries called in by H. G. Chester estimated that the correct figure for reserves for Marine 65 in 1986 for pollution was at best \$8m and at worst \$42m. The range for asbestos was a further \$10m. Faced with that degree of uncertainty, Mr Richard Martin, who runs H. G. Chester, says he had no option but to leave the accounts for 1986 open at the end of the three-year Lloyd's accounting period, although he knew that would go down badly in the market.

Nor was he mistaken. The 2300 members (or Names) of Marine 65, members' agents, underwriters, some of the bigger brokers and the council of Lloyd's, were all, to a greater or lesser degree, taken back by the decision. It was part of the background to this week's decision by the council to issue stringent new regulations for managing agents who want to leave a year open on the ground that losses are unquantifiable.

In future, a managing agent who wants to keep a year open must seek an independent actuarial report, including an opinion as to whether he has acted reasonably. When deciding the premium for business to close (RTFO) — the means by which an account is closed at the end of three years — he must also look for an independent quote on the market. Only if none is available, or the price demonstrably unacceptable, will the managing agent be able to leave the account open.

All that, together with other regulations, makes life more difficult for managing agents. Leaving a year open will be less of an easy option in future, although Mr Martin says that "easy" is the last word to be used to describe his action last April.

But, as the administration of Lloyd's admits, the ruling will have little effect on the 68 syndicates that have left 115 accounting years open on the ground that losses are unquantifiable.



The Lloyd's building: lack of precedents on which to work

Alastair Muir

ties. Nor does it deal with the basic fact that Lloyd's, as a whole in coping with claims stemming from pollution or asbestos in the US, the financial cost of which cannot be forecast.

Some underwriting agencies see the change as beneficial. Mr Roy Kirsch, of Shurge Holdings, the biggest underwriting agency, which has no syndicates with open years, says his agency already follows most of the rules now being introduced.

Mr John Heynes, former chairman of the Lloyd's Underwriting Agents Association, says it will make it more difficult to duck away from a problem by declaring a year open. The temptation to do that is obvious enough. If a year is not

declared open when there are heavy potential losses it may be necessary to call for more cash from the Names belonging to a syndicate. Members of syndicates for succeeding years may be happy to be isolated from past difficulties with which, by the device of open years, they have no connection.

One analyst comments: "A new Name will tend to choose a syndicate with an open year in the past over one that has not, simply because old losses are cut off."

Other managing agents see the new rulings as largely cosmetic or "shooting the target." Mr David Evers, of David Evers Underwriting Agency, says: "There are heavy penalties for keeping an account open, then they will be closed when they should not be."

The difficulty is that, given the structure of Lloyd's, whereby each syndicate has a membership that shifts from year to year, it is virtually impossible to decide with equity who should bear the burden of losses stemming from losses often originating in the distant past. There is an obvious and inevitable conflict of interest between existing Names and those belonging to the next year of the syndicate over the financial terms on which past liabilities will be transferred.

An increased role for independent actuaries and seeking a quote for RTFO in the market do not really get round the issue. Mr Martin says there is no way he could have got a quote in the market. By the very fact that the difficulties of Lloyd's in the 1980s stem from new and often unprecedented US court rulings on pollution and asbestos, which lack precedents on which to work.

Similar headaches afflict other syndicates, few of which could be resolved with sufficient precision to set the premium for RTFO. Mr Peter Mitting, chairman of the steering committee of Names belonging in 1989 to Marine Syndicate 317/661 managed by R. H. M. Outwater, the most famous and potentially most expensive of the open years — makes a further point that even when reserves have been agreed it would be necessary to get the Inland Revenue to go along with the figure.

Schools policy faces court test

By David Thomas, Education Correspondent

PARENTS AND governors of a school in the south London borough of Lewisham are seeking a judicial review of an education authority's right to give preference to its own residents when allocating school places. The move might have wide implications for some of the Government's educational reforms which are designed to intensify competition between schools for parental support, as well as for the future of education in London after the abolition of the Inner London Education Authority (ILEA).

The case has been taken to the High Court by governors and parents of the John Ball primary school, which is in Lewisham but close to the borders of Greenwich. Tradition-

ally, many children from John Ball have gone on to secondary schools in Greenwich, which caused no difficulties when the schools all fell under ILEA.

Once ILEA is abolished next April, Greenwich will become responsible for its own education. It has already decided that priority will be given to children of Greenwich residents when allocating places in oversubscribed schools.

Mr Patrick Edwards, chairman of John Ball's governors, said the school's parents had reacted with "total disbelief" to the decision. He said: "Our children are being cut off from the schools they traditionally went to."

Mr Edwards is among a group of parents who successfully petitioned the High Court this week for a judicial review of a local authority's right to give preference to its own residents in this way.

The outcome of the case could have wide implications not just for other boroughs taking over from ILEA, but also throughout the country, since many education authorities have given preferential treatment to their own residents in allocating school places.

The issue is likely to become more important as a result of government reforms designed to give parents more control over where their children go to school.

Two charged over burnt Abbey forms

By David Barchard

THE MANAGING director of a mailing company and a warehouseman appeared in court yesterday charged with conspiracy to destroy Abbey National share certificates. The two men, Alexander Scott, 47, director of Business Mailing Services, and Michael Hanratty, 24, were also accused of conspiring to destroy other Abbey National material. Mr Scott faces a third charge of

conspiracy to defraud Citibank Savings. Magistrates at Tower Bridge Court, London, granted the men conditional bail until February 13.

Mr Brian Easter, a businessman, of Portman Close, Berkeley, agreed to stand surety of £50,000 for Scott.

The charges follow the discovery of charred remains of share certificates found in skips outside the Greenwich premises of Business Mailing Services at the end of July after a tip-off.

This followed complaints by thousands of investors that they had not received their share certificates after the Abbey National stock market flotation on July 12.

EMPLOYMENT

Ambulance unions say 'intransigence' caused talks failure

By Fiona Thompson, Labour Staff

UNION leaders of Britain's 22,500 ambulance workers offered to sign a no-strike deal in return for a pay formula which would trigger automatic pay rises, but the Government refused, Mr Roger Poole, chief trade union negotiator, said yesterday. He blamed the intransigence of Mr Kenneth Clarke, Health Secretary, for the breakdown of Thursday's peace talks at the conciliation service Acas. The union leaders met Mr Duncan Nichol, NHS chief executive, for eight hours in a bid to resolve the six-week long dispute over a rejected 6.5 per cent pay offer. "Mr Nichol knows 6.5 per cent is untenable, and he understands the need for a pay formula," said Mr Poole. "But he couldn't move an inch without Mr Clarke's say-so."

The dispute would continue until Mr Clarke either "comes to negotiate with us or gives authority to Mr Nichol to negotiate with us."

Leaders of the five unions representing Britain's 22,500 ambulance workers will meet on Tuesday to consider tightening up their action. But this would not affect the accident and emergency service. A ban on overtime and rest

day working has been in place for six weeks and last week four work-to-rule restrictions were recommended by national organisers. These are a strict adherence to the 36 hour week, and bans on doing the job of a superior, on doing non-urgent clerical duties, and on transporting non-urgent patients discharged from hospital.

Mr Nichol put two proposals to the unions at the Acas meeting, Mr Poole said. The first was to "endload" this year's pay award by pushing back the settlement date from last April to October but increasing the percentage rise.

The second proposal was to borrow from next year's pay settlement and add it to this year's in a two-year deal. But with management unable to give figures for next year, the unions felt unable to accept.

The union leaders acknowledged that the longer the dispute continues, the greater the likelihood that the 6.5 per cent would simply be imposed, especially with Christmas coming, in a bid to diffuse the situation.

The Department of Health said last night this was an option which could be considered if a negotiated settlement failed, but it was not being contemplated at the moment.

The hard-working world of Mr Clarke's partner

By Alan Pike, Social Affairs Correspondent

WHEN Duncan Nichol became chief executive of the National Health Service on the day after the Government announced its reform plans, colleagues said he was the ideal partner for Mr Kenneth Clarke, the Health Secretary.

Nichol, they explained, would get on with the vital hard work of preparing the NHS for the biggest changes in its history without challenging his political master for the high-profile glamour and glory surrounding the selling of the reforms to the public.

Since then the Health Secretary has had nine months of the glamour, if not the glory — opinion polls show that the public remains sceptical about the proposed reforms in spite of Mr Clarke's energetic salesmanship. Duncan Nichol, meanwhile, has been getting on with a lot of hard work.

He is currently in the public eye as the leading negotiator on the management side in the ambulance workers' dispute. But although an increasingly familiar figure within the NHS, he remains relatively unknown outside the service, considering that he is chief executive of the biggest employer in Europe, managing an annual budget of more than £22bn.

This says as much about the nature of the job as it does about Nichol. The post of NHS chief executive is a recent creation, reflecting several years of attempts by Ministers to run the health service more like a conventional business.

In 1983 the Government accepted the recommendations of a working party chaired by Sir Roy Griffiths, its health service adviser, that all levels of the NHS should have general managers responsible, at national level, to a management board.

The problem, as the ambulance dispute has demonstrated this week, is that when an issue in the NHS becomes controversial/difficult/interesting/vote-winning/vote-threatening or any combination of these, it inevitably becomes political as well.

The tensions, therefore, between the desire to run the NHS in a managerial way and the reality of political control contributed to the resignation of Mr Victor Falge, the first occupant of the top management job (then called chairman) in 1986.

Mr Len Peach, an IBM executive, was then seconded as



Duncan Nichol: relatively unknown outside the service

chief executive and he devoted his considerable private sector experience to introducing target setting, performance appraisal and performance related pay among senior NHS managers.

Nichol, 43, is the first career NHS manager to hold the job. He entered the health service as a graduate in 1963, finishing up as general manager of Mersey Regional Health Authority before becoming chief executive this year.

While at Liverpool he demonstrated an enthusiasm for the hands-off approach to running health services which characterises the Government's proposed reforms — this included, ironically, living off the management of the Mersey Metropolitan Ambulance Service in 1987.

The white paper 'Working for Patients', published the day before Nichol became chief executive, spelt out these ideas only in fairly general terms. Since then he has been involved in developing the detail of how changes like self-governing hospitals, contracts and the introduction of a conventional system of capital charging in the NHS will actually work.

The ambulance dispute is something of a diversion from this activity.

Next month, in the new session of Parliament, the Government will introduce what is guaranteed to be a hotly-contested Bill to reform the NHS and the preparations for bringing in the main changes from April 1991, will gather pace.

Nichol enjoys a high reputation among other NHS managers for his widespread knowledge and experience of the service, and this will be of value to him in the controversial days ahead.

Tests show oil workers 'better in teams'

NORTH SEA oil workers tend to perform better if they are willing to work in teams and are able to get on well with others, according to a psychological test of 35 Texaco employees working on the Tartan Alpha platform.

The study, presented at the Institute of Personnel Management's annual conference, also found that the better supervisors tended to be more sympathetic and tolerant were less successful.

The pilot study matched psychological profiles of the oil workers with performance ratings. It found that better performance was linked to people who were slow at taking decisions and took time to assess situations.

It also matched the profiles

against the qualities which 10 Texaco managers felt was the profile of an "ideal" worker. The actual workers were found to be less willing to take charge, less caring and less socially confident than wanted.

They also scored lower on forward planning, conscientiousness and decisiveness. However, they were more modest, willing to listen to others, and enthusiastic about change than managers wanted.

Ms Rhoda Fin, an organisational psychology lecturer, said in a report of the study that there was a surprising lack of correlation between workers performing well and being practical or interested in mentoring.

Texaco said that the results of the survey, carried out in the wake of the Piper Alpha



HARROGATE 1989

John Gapper and Jimmy Burns report on the annual conference of the Institute of Personnel Management

disaster to help with selection of oil workers, were confidential. Further surveys are now

being carried out on other companies' oil platforms.

The study was carried out by researchers from the Robert Gordon's Institute of Technology following research indicating that personality differences in offshore workers tended to be linked to accident rates and occupational stress.

Those workers rated as high performers were rated as not difficult to manage, tending not to be outspoken or argumentative, and were generally prepared to listen to and consult others.

Mr Jeremy Forty, Texaco personnel director, told a seminar that some oil companies were considering a pension scheme for older workers who failed the stiff off-shore medical tests and then found it hard to get other jobs on-shore.

More no smoking policies

COMPANIES should be prepared to back up their no smoking policies with disciplinary action against employees who refuse to abide by them, a senior personnel consultant told a seminar.

Mr Ed Mills, of Peat Marwick McLintock, said: "If you are going to introduce rules, your work force needs to understand it is going to be backed up by disciplinary action. Otherwise there is no point in having them."

According to preliminary findings of an IFM study, a growing number of companies are adopting more stringent measures banning smoking at the work place. This appears to be largely in response to public concern with the evidence of health hazards linked to passive smoking.

Access courses aid staffing

THE Bank of England has started recruiting young Asians from the Spitalfields area of London because of concerns about the rising demand for clerical workers and the division between the Asian community and the City.

The Bank and three other City employers have funded two access courses in the English language and office skills for 16 young Asians. The Bank has employed three of those who completed the first course.

The three other companies involved in funding the Spitalfields JobLink project are Dixons, the Trustee Savings Bank, and Lloyds Bank. The second access course has been extended to give more language training. The Spitalfields project, sup-

ported by Business in the Community, is one of a number of initiatives by employers to improve ethnic minority recruitment to compensate for the falling numbers of white school-leavers.

Mr Hugh Harris, associate director of the Bank, told a seminar that there was rising interest in the scheme. The second course, costing £16,000, has been extended from 16 weeks to 24 to include more language teaching.

Trainees are taught clerical skills working towards a Royal Society of Arts certificate. Joshua Tetlow has raised profits in its public houses by recruiting managers through selection procedures based on personality assessment, a seminar was told by Mr Terry Laun, personnel director.

HAPPY ENDING

Long life and happiness — that's what we all say. But there is a price to pay for living longer. Ours is currently £1 million — to begin a building programme to provide more nursing care and better accommodation for the old and needy. Please help us to ensure that this vital project, too, has a happy ending.

We have been looking after the elderly since 1905 and now have eleven residential homes. Here, men and women from professional backgrounds find security and freedom, for the rest of their lives, with nursing care when necessary. Friends of the Elderly also give financial help to all old people who wish to stay in their own homes.

Please be a Friend and make a covenant or remember us in your Will. The old should lead happy and dignified lives — they deserve nothing less.

Write today with a donation and enquiry to:
The General Secretary,
Friends of the Elderly
(Dept. FT 1) 42 Ebury Street,
LONDON SW1W 0L2.
Registered charity number: 226064

FRIENDS OF THE ELDERLY
and Gendefolk's help

UK 'should copy EC on worker participation'

THE Government should implement legislation to bring the UK closer into line with European Commission proposals for worker participation, Mr Bryan Stevens, director of the Industrial Participation Association, said yesterday.

Mr Stevens told a seminar that the UK government had mistakenly allowed the "myth" to remain that current EC proposals were "all about having workers on the board."

Such a "myth", he argued, had created an unnecessary climate of obstructionism among some managers who equated employee participation with a revival of trade union power under EC auspices.

Mr Stevens cited the examples of France and West Germany where the concept of a 'social partnership' has allowed a climate of industrial relations to develop which is reliant not just on regulation but also on mutual responsibility of managers and unions.

He argues that in the UK employee participation had developed over the last ten years somewhat randomly under a Conservative government seeking to promote "popular capitalism" through a voluntary introduction of share option schemes.

The IPA is an independent association of companies and trade unionists devoted exclu-

UK NEWS - THE CHANCELLOR'S RESIGNATION

Special advisers play shadowy political role

By Hazel Duffy

THE TWIN resignations of Mr Nigel Lawson and Sir Alan Walters have uncovered the shadowy roles of special advisers in general and in particular of those who personally advise Mrs Margaret Thatcher as opposed to those who are part of the government machine.



Mrs Thatcher with Charles Powell, her private secretary

It was 10 years later, under another Labour government, that special advisers became almost the rule, rather than the exception. But the special adviser strain was beginning to weaken - political advisers were becoming more common.

The Thatcher years have largely continued the trend. Most ministers now have advisers. There is considerable variety to their backgrounds and in the roles ministers expect them to play.

US papers wake up to Thatcher's difficulties

By Peter Riddell, US Editor in Washington

THE resignation of Mr Nigel Lawson has shocked both policymakers and markets in the US - raising for the first time questions about the future of the Thatcher Government.

PM 'is weaker' but EC shrugs off resignation

By David Buchan in Brussels

MRS Margaret Thatcher's opponents in the swirling European Community debate over monetary arrangements yesterday took more heart from the political damage done to her government by Mr Lawson's departure than by the loss of a heavyweight proponent of full UK membership of the European Monetary System.

Labour tastes blood as fortunes reverse

Michael Cassell examines the Opposition role in the lead-up to Lawson's resignation

MR John Smith, the shadow Chancellor, would never claim to have played as big a role in Mr Lawson's resignation as Sir Alan Walters. But his dogged and skillful onslaught on the Government's economic strategy and on the growing rift in Downing Street helped to bring yesterday's dramatic events to a head.

to try to wrinkle out differences between Mrs Thatcher and Mr Lawson on exchange rate policy. After months of hammering away at the Government's alleged incompetence and at policy differences at the very top - a strategy orchestrated by a united Shadow Cabinet economic sub-committee set up after the last election - Labour finally smelt real blood last week.

integrity and the challenge to his personal pride appeared to hurt, as did Mr Brown's pointed summing-up at the end of an unimpassioned session for the Chancellor. Behind him, there was little support and, from the opposite benches, a succession of spokesmen kept up the pressure.



Less than a year ago, Mr Smith's own political future seemed in doubt after a heart attack. At the same time, the morale of his party and of Mr Neil Kinnock, its leader, were at rock bottom.

Mr Smith led the attack, his well tested skills as a QC enabling him to launch a relaxed, often witty and deeply penetrating assault, particularly on Mr Lawson's increasingly unhappy position. It was, he said, time the Chancellor did something for himself: "time for enterprise and individual responsibility."

Respective of the unpopularity of a number of the Government's latest reforms, it is the state of the economy that all parties still believe will hold the key to the result of the next general election.

management and to offer a credible alternative. Mr Smith has so far played his part well, emerging as the voice of confident reasoning, rolling back Labour's image as the party of high taxation and acknowledging the role of the markets in constructing a programme of economic efficiency and social justice.

Commons debate on the state of the economy, Mr Kinnock is totally justified in leaving the job to his Shadow Chancellor, but his silence will be used by the Tories to claim that the Opposition leader himself remains a liability on matters economic.

Business world fears another rise in interest rates

By Our Industrial and Financial Staff

MR Alan Richardson, one of the small entrepreneurs spawned by the Thatcher decade, was recovering from a bout of jitters. He said: "My first thought was 'we're right up to our necks in it now' - but things seem to be calming down."

There was little sympathy for the way the Lawson-Walters conflict had been handled by Mrs Thatcher. As the chairman of a fast-growing food company put it: "If you get a chairman and finance director who are not communicating and the chairman takes his advice from outside, you would be heading for disaster."

of the country's leading companies was looking forward to a vintage Thatcher performance. He said: "It is rather good news that they have sorted out the act. It is a question of whether Mrs Thatcher comes out of her corner fighting and I think she will. Who remembers Westland and a chap called Brittan?"

Mr Williams said: "It is particularly difficult to think about a big investment in this environment."

High interest rates could throttle us. People in high office should not be playing silly whist and leaving us to pick up the pieces."

Most industrialists believe the political instability of the last two days will only be a glancing blow to the economy. They believe the political damage to Mrs Thatcher may be limited, for few can see any reason to mourn Mr Lawson's departure.

The deputy chairman of one of Britain's largest companies commented: "Mrs Thatcher looks like a captain without a team. Boardroom discussions today will certainly have been less confident than they were even last week."

Mr Peter Williams, chief executive of Respack, the office supplies, paper and packaging group, has been considering a £200m joint project to build a new machine to manufacture newsprint.

Mr Alan Greenway, who employs eight people at his West County printing company, Fulcross, admitted that the last year had "made me start to think again about whether the Conservatives really do support small businesses."

What industrialists want from Mr Major is clarity on interest rates, the exchange rates and the European Monetary System (EMS).

Major faces critical task of mastering Treasury policy

By Simon Holberton, Economics Staff

THE DEPARTURE of Mr Nigel Lawson from the Treasury leaves a vacuum at the top that will take time for Mr John Major to fill.

at Shearson Lehman Hutton, said any suggestion that he was playing second fiddle to No 10 Downing Street on policy would do him no good.

mechanics of government rivalled only by Mrs Thatcher and Sir Geoffrey Howe, the Deputy Prime Minister.

COMPARED WITH Harold Macmillan's reaction to the loss of his entire Treasury ministerial team in January 1958, yesterday's attempt by Mrs Margaret Thatcher to claim it was "business as usual" was far from impressive.

The reality was rather different. Macmillan, for all the bravery and fortitude that enabled him to survive the serious wounds he received when fighting in the trenches in World War I, frequently found it daunting to face the Commons at times of crisis.

In this sense, the Treasury's key may be enhanced by the arrival of a man respected as politically astute but seen as lacking the technical economic ability equal to his predecessor.

A senior Treasury official was recently heard to wonder aloud what the Treasury would do if Mr Lawson moved on. During six and a half years at the Treasury he had been involved in every important issue of government policy and had a familiarity with the

Mr Major's two years at the Treasury, which ended this summer when he was promoted to Foreign Secretary, were as Chief Secretary - the No 2 slot, devoted to controlling government expenditure.

Macmillan did not make a special appearance on the steps of 10 Downing Street to insist that there was no cause for concern, but headed for the airport to start a six-week tour of the Commonwealth.

On such occasions he always wore his Guards tie, and was able to produce an elegantly phrased and telling response, whether dealing with Labour heavyweights like Aneurin Bevan or a more timorous critic from his own side.

Tories rallied in the regions

By Ian Hamilton Fazey and Richard Tomkins

THE DAY passed quietly in many of Britain's Tory constituencies yesterday although Friday is not traditionally an active one for constituency parties.

Mrs Thatcher has let get out of control. "Either we have to move very decisively to change leaders now or we have to back her for the next election. She has been very good for Britain and accomplished great things but lately she seems to have lost her magic touch."

had reshuffled her team at the top "proved her quality and worth as Prime Minister."

Mr Brian McGowan, managing director of Williams Holdings, suggested: "The decision they come to is probably less important than the fact they come to a decision."

Mr Hugo Musson, a Scot who is the Conservative Party's chief agent in Liverpool, was Mr Lawson's agent in Blaby, Leicestershire, from 1974 to 1980.

In Birmingham, Mr Keith Andrews, chief agent of the Birmingham Conservative Association, said support for the premier appeared to be undiminished. "If there's a flap, I don't know about it," he said.

SuperMac unflappable in 1958

By Ivor Owen, Parliamentary Correspondent

COMPARED WITH Harold Macmillan's reaction to the loss of his entire Treasury ministerial team in January 1958, yesterday's attempt by Mrs Margaret Thatcher to claim it was "business as usual" was far from impressive.

Lord Thorneycroft, who succeeded Macmillan as Chancellor in January 1957 when he took over as Prime Minister from Sir Anthony Eden amid the convulsions that followed the Suez crisis, resigned in defence of what is now known as monetarism.

He was not prepared to sanction a 1 per cent increase in overall government expenditure, not because of the sum involved - an estimated £50m - but because of his failure to secure the support of the Prime Minister.

At that time, Macmillan and the entire Government seemed far more vulnerable than Mrs Thatcher does now, and Labour's Shadow Cabinet, headed by Mr Hugh Gaitskell, issued a statement claiming that it was undergoing "progressive disintegration".

In the event, an immediate increase in bank rate was avoided, and less than two years later, in October 1959, Macmillan led the Conservative Party to its third successive general election victory, securing a majority of 100.



Bags packed, Peter Thorneycroft leaves 11 Downing Street after his resignation in January, 1958

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 01-873 3000 Telex: 922186 Fax: 01-407 5700

Saturday October 28 1989

Philip Stephens looks at Mrs Thatcher's current standing in her party
A depreciating electoral asset

Constraints on Mr Major

MR JOHN MAJOR has risen by being put in the place of senior ministers who have fallen foul of the Prime Minister's aversion to the European Community, in general, and the European Monetary System, in particular. The only thing he has done to deserve this reward is that he has carefully avoided controversy on these and most other subjects. This luxury he has now lost.

His party may hope that Mr Major will develop (and then agree with the Prime Minister) a new policy, one that will reduce inflation and permit a substantial lowering of interest rates - all in time for the next election and without too deep a recession in between. Paced Mr John Smith, the shadow Chancellor, no new policy to achieve this miracle exists.

All Mr Major can do is to try to exploit the limited freedom he has. But first he will need a clear understanding of the fix the Government is now in. Since Mr Lawson and Mrs Thatcher agreed on so much, it was no ordinary dispute that divided them so bitterly.

Sensitive issues

Their conflict lay at the intersection of two sensitive issues: relations with the EC, on the one hand, and the future of monetarism, on the other. After the early 1980s, it was widely agreed that the focus on broad money had proved unworkable. This left two indicators, narrow money and the exchange rate. Those close to Mrs Thatcher knew to narrow money, but Mr Lawson regards it as no more than a coincident indicator.

In his view a different, more credible policy rule was required and, in this way, he was led to the exchange rate mechanism of the European Monetary System. Against him he then found ranked both the believers in narrow money and Mrs Thatcher herself, with her anxieties about the loss of national sovereignty.

The shift by Mr Lawson and Mrs Thatcher's subsequent response created a long-running and damaging dispute. The main consequence for economic policy is that Mr Major now inherits a Treasury which no longer follows any clear rules at all. Though the Gov-

ernment appears to have the freedom created by this pragmatism, it is bound by circumstances, instead.

One might suppose, for example, that the Government will now pay much less attention to the exchange rate. It is, indeed, this belief that has pushed the effective exchange rate down by 2 per cent since Thursday evening and the exchange rate against the D-Mark by 7 pence.

Higher profitability

The consequence of the depreciation should, if it lasts, be higher profitability in the production of tradable goods and services. Yet this is not the end of the story. No government will be indifferent to a collapsing exchange rate. If the trend continues, there will be action, including higher interest rates. If so, the change in policy would be nothing like as large as some now expect. Mr Lawson's resignation would simply mean a somewhat higher pound and somewhat higher interest rates than would otherwise have been the case.

Partly because of the pressures in the foreign exchange markets and partly because of the high inherent in all economic policy, Mr Major can do little to alter the economy within the time horizon set by the next election.

What then can he see ahead? Interest rates at their present level will unquestionably create a recession in the end. The key questions for the Government are: first, how seriously the slowdown will affect productivity; secondly, how quickly the present upsurge in wages will come to an end; thirdly, how damaging the squeeze on profitability will prove, particularly for investment; and, last but not least, whether exports will continue to grow at a satisfactory rate.

The answer to those questions will be determined by the success of the policies that united Mrs Thatcher and Mr Lawson. Beyond reassuring the markets, as he will have to, Mr Major is, like everyone else, doomed to be a spectator of the searching test of Thatcherism that is now under way.

"THERE IS NOTHING like blind loyalty in a crisis," said one of Mrs Margaret Thatcher's senior ministers in the immediate aftermath of Mr Nigel Lawson's stunning departure from her Government.

So the public message from the Prime Minister and her reshaped cabinet yesterday was that the Conservative Party would respond to the latest political turmoil in its time-honoured fashion - by closing ranks.

It will not be that simple. The wounds on the Government and on Mrs Thatcher's own reputation left by the most spectacular resignation since Mr Peter Thorneycroft quit as Mr Harold Macmillan's Chancellor in 1957, will not heal easily.

Mr Kenneth Baker, the party chairman, spent yesterday trying to ram home a single message both to the Government's own supporters and to the wider electorate.

The loss of Mr Lawson was regrettable, but the three great offices of state had been filled with skillful, experienced, ministers who would ensure that the Government's policies remained on track.

Despite the clarity of Mr Lawson's own letter to Mrs Thatcher - confirming a deep rift over exchange rate policy - there had been a personality clash, rather than a deep-seated policy conflict, Mr Baker insisted.

Less publicly, Conservative party managers were stressing that once the dust had settled the resignation would leave the Government stronger rather than weaker. With Mr Lawson and Sir Alan Walters gone, the Government would no longer be undermined by debilitating internal rows between the Prime Minister and her Chancellor over economic policy.

Displaying something less than political tact, Downing Street insisted that, far from being downcast, the Prime Minister was on "very good form" - her usual high-spirited self.

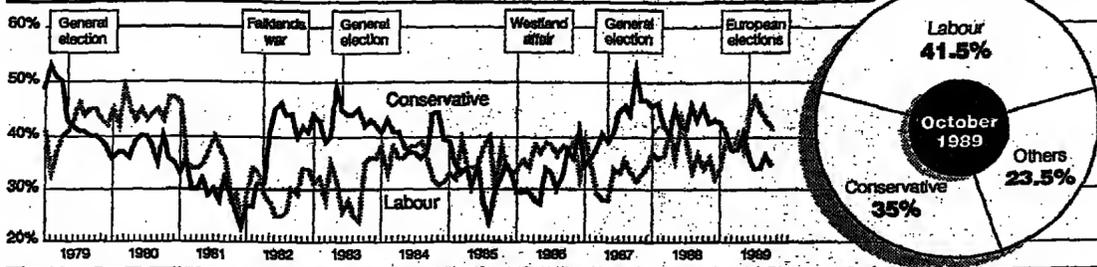
But the mood among her supporters at Westminster as they surveyed the political wreckage was far from sanguine. They appeared less than convinced by Mr Baker's, or for that matter, by their own public statements that what the Government faced was a storm rather than a hurricane.

For the first time since the crisis over the future of the Westland helicopter company in January 1986, Conservative MPs were questioning seriously whether the Government can any longer take for granted victory at a general election.

The Conservative Party is 10 points behind Labour in the opinion polls, has been forced to put up interest rates to their highest level since 1981, and faces a long, hard struggle to bring down inflation and close the country's massive trade gap.

Even before Thursday's events, the task of beating off the challenge of Mr Neil Kinnock's remodelled Labour Party had been the most formidable it had faced during a decade to office. Now, one usually confident senior minister commented, "assuring the Government's future would require a

Britain's view of Mrs Thatcher



"lot of hard work and a great deal of luck."

As importantly, Conservative MPs were asking whether Mrs Thatcher is still the invincible electoral asset she has so far proved to be.

The Prime Minister's style of government - recognised even by her supporters as autocratic if not authoritarian - has been a source of internal controversy from the moment she entered Downing Street in May 1979.

There have been a number of storms, notably during her purge of the "Wets" in her first term of office and following the departure of Mr Michael Heseltine and Mr (now Sir) Leon Britton over the Westland crisis. But until recently the prospect of an almost indefinite series of electoral victories have blunted the criticism. As long as Mrs Thatcher offered success in the polling booths both her position and her style were seen as unassailable.

Labour's victory in June's European elections and the surge of discontent in Conservative ranks over Sir Geoffrey Howe's enforced departure from the Foreign Office in the July cabinet reshuffle were thought to have changed that.

Mrs Thatcher concurred with Mr Baker that the Government's strategy in the run-up to the next general election should emphasise a collective approach to decision-making.

"The Right Team for Britain's Future" was the slogan on his backdrop to the platform at the party conference in Blackpool just two weeks ago. Mrs Thatcher sat back - appearing almost detached - as Mr Baker and her ministers set out the policies on which the battle with Labour would be fought.

She also agreed that her ministers would seek to avoid new political controversies in the second half of the present parliament and should seek to give "Thatcherism" a gentler image with a new emphasis on "quality of life issues."

The change of presentation, however, did not extend to allowing Mr Lawson the free rein on exchange rate policy that he has sought for the last two years; nor to being forced to sack her own personal economic adviser.

Even yesterday as Mr Baker was staging the praises of the new "team," Downing Street was acknowledging that Mrs Thatcher had consulted none of her colleagues before appointing Mr John Major to the Treasury, Mr Douglas Hurd to the Foreign Office and Mr David Waddington to the Home Office.

Several ministers were insisting nonetheless that the underlying circumstances had not changed. They dismissed the prospect of a serious challenge to the Prime Minister's position before the next general election. It is possible that a backbench MP will risk against her for the leadership as a stalking horse to test the party's mood. The gossip in the corridors of the Commons yesterday was that a challenge was possible as early as next month.

Equally, Mrs Thatcher just might choose to stand down before the next election. Some of those around her have speculated that even the "Iron Lady" might at some stage lose her appetite for the battlefield of politics.

But the main contenders for the succession - Mr Baker, Mr Heseltine, Major, Mr Chris Patten, the Environment Secretary, and, perhaps still, Sir Geoffrey - are unlikely to risk their positions by forcing a challenge.

As one Conservative MP put it yesterday: "This probably means that she will go sooner rather than later, but after the next election rather than before it."

The consensus among ministers, however, is that her authority within the Cabinet has been significantly undermined.

Mr Major at the Treasury and Mr Douglas Hurd at the Foreign Office are said to be "unassailable" and neither is likely to adopt a particularly

"Thatcherite" approach to their new jobs.

According to a colleague, the prominent Mr Hurd, a former lieutenant of Mr Edward Heath, "has had a key to the Foreign Office in his waistcoat-pocket for the last 30 years."

But for those very reasons Mrs Thatcher would never have put him there in normal circumstances. Just three months ago was willing to offer his job at the Home Office to Sir Geoffrey. If he had accepted it, Mr Hurd would probably have found himself in the House of Lords.

Mr Major, despite being characterized by Labour as a cipher for Mrs Thatcher and notwithstanding his problems with her over South Africa during the Commonwealth conference, is now in an impressive position. His views over the European Monetary System - the issue at the centre of Mr Lawson's resignation - are far from identical to those of the Prime Minister. Unlike his predecessor, he will be able to take a fairly dispassionate approach to the EMS and he is against any precipitate

he arrived in his Treasury office yesterday painted a far from an encouraging picture.

Even without a further fall in sterling's value, Mr Major's colleagues believe that he will have to maintain the present monetary squeeze well into next year and that his first Budget in March will be nothing if not austere.

Tax cuts next year are already being ruled out, and there is a growing conviction among ministers that the time required to bring down inflation and the current account deficit will leave Mrs Thatcher no alternative but to delay an election until the spring of 1992.

Mr Major might still hope to avoid an outright recession, but that will offer little consolation to voters facing an intense and prolonged squeeze on their living standards.

Against that austere background, Mrs Thatcher's new team has still to cope with the unpopularity of the sale of the water and electricity industries, the introduction of the poll tax, and reform of the health service.

Nor will the Government's dilemma over Europe be away. French President Francois Mitterrand is widely expected to use the European Community summit in December to step up the pressure on Britain to take sterling into the EMS - perhaps by bringing forward from next July the abolition of French exchange controls.

The newly-confident Labour party will be ready to seize the opportunities. Mr Kinnock has made clear that the "revisionist" shift into the political centre ground signalled by this year's policy review will continue right up to the election.

Mr John Smith, the Labour shadow chancellor, expects plenty of opportunities both to exploit the continuing squeeze on living standards and to re-open differences between Mrs Thatcher and her ministers over Europe.

One senior minister was yesterday composing himself with the thought that it had taken the Government only 18 months to recover from the depths of the Westland crisis and go on to win a massive majority at the 1987 election.

But then, of course, it could rely on an economic boom - delivered by Mr Nigel Lawson.

It is possible a backbench MP may challenge Mrs Thatcher for the leadership to test the party's mood

ture from the Foreign Office in the July cabinet reshuffle were thought to have changed that.

Mrs Thatcher concurred with Mr Baker that the Government's strategy in the run-up to the next general election should emphasise a collective approach to decision-making.

"The Right Team for Britain's Future" was the slogan on his backdrop to the platform at the party conference in Blackpool just two weeks ago. Mrs Thatcher sat back - appearing almost detached - as Mr Baker and her ministers set out the policies on which the battle with Labour would be fought.

Mr Major's colleagues believe he will have to maintain the monetary squeeze well into next year

move while the economic outlook remains uncertain. His instincts are neither those of Mrs Thatcher or those of Sir Alan Walters.

One senior minister summed up the general mood among his colleagues in this way: "We now have rather a good cabinet... It just was not an ideal way to get there." Another said: "Mrs Thatcher is in a rather small minority (in the cabinet) now." If such ministers are right, a more collegial approach to running the Government will not solve its problems.

Mr Major avoided another rise in interest rates yesterday, but the economic forecasts handed to him when

Mr Major's colleagues believe he will have to maintain the monetary squeeze well into next year

he arrived in his Treasury office yesterday painted a far from an encouraging picture.

Even without a further fall in sterling's value, Mr Major's colleagues believe that he will have to maintain the present monetary squeeze well into next year and that his first Budget in March will be nothing if not austere.

Tax cuts next year are already being ruled out, and there is a growing conviction among ministers that the time required to bring down inflation and the current account deficit will leave Mrs Thatcher no alternative but to delay an election until the spring of 1992.

Mr Major might still hope to avoid an outright recession, but that will offer little consolation to voters facing an intense and prolonged squeeze on their living standards.

Against that austere background, Mrs Thatcher's new team has still to cope with the unpopularity of the sale of the water and electricity industries, the introduction of the poll tax, and reform of the health service.

Nor will the Government's dilemma over Europe be away. French President Francois Mitterrand is widely expected to use the European Community summit in December to step up the pressure on Britain to take sterling into the EMS - perhaps by bringing forward from next July the abolition of French exchange controls.

The newly-confident Labour party will be ready to seize the opportunities. Mr Kinnock has made clear that the "revisionist" shift into the political centre ground signalled by this year's policy review will continue right up to the election.

Mr John Smith, the Labour shadow chancellor, expects plenty of opportunities both to exploit the continuing squeeze on living standards and to re-open differences between Mrs Thatcher and her ministers over Europe.

One senior minister was yesterday composing himself with the thought that it had taken the Government only 18 months to recover from the depths of the Westland crisis and go on to win a massive majority at the 1987 election.

But then, of course, it could rely on an economic boom - delivered by Mr Nigel Lawson.

The axe over the Tory party's head

By Joe Rogaly

The question of Britain's role in the European Community hangs like an axe over the head of the Conservative Party.

It was Sir Geoffrey Howe's disputations over the EC that so irritated Mrs Thatcher and her immediate advisers that this year she removed him from the Foreign Office. It was a long-standing quarrel over Britain's membership of the exchange rate mechanism of the European Monetary System that led to the avoidable resignation of Mr Nigel Lawson as Chancellor.

The irony of this is that Messrs Howe and Lawson are both unswerving torchbearers of free-market liberalism - the very creed that the Prime Minister, in more than one outbreak, has insisted is threatened by "Marxism" and "socialism" imposed from Brussels. "We have not successfully rolled back the frontiers of the state in Britain, only to see them re-impaled at a European level," said Mrs Thatcher in Brussels on September 20, 1988.

"Sovereignty is not virginity, which you either have or have not," said Sir Geoffrey in Blackpool on October 11, 1988. "Only Robinson Crusoe could count himself master of all he surveyed." The Deputy Prime Minister's view is that in every international treaty and transaction there is a giving and taking of the elements of national power.

The jokes that tired in its use against Sir Geoffrey by No 10 is that just as the Department of Industry represents industry, so the Foreign Office "represents foreigners." Would his immediate successor, Mr John Major, have been any different had he remained at the FO for more than three months?

In conversation, Mr Major comes across as one who understands very well that Britain's future lies in the EC, and that if, indeed, he seeks to be a leader on the other side of the Channel. Even if you fight for British interests, you do best if you use the language of the Community-minded. He knows that this is the young-

moderniser view, the one held by what he sees as the rising generation of potential Cabinet ministers inside the Tory Party. The doubt, which has followed him to the Treasury, is whether his evident desire to maintain a good relationship with the Prime Minister overrides other considerations. We shall see.

We shall also see about Mr Douglas Hurd. His personal opinion suggests that he arrives at the FO as a European, more Foreign Office than the Foreign Office itself. Putting him in as Foreign Secretary just one short summer after ousting Sir Geoffrey is a sign of how desperate Mrs Thatcher must have felt on Thursday. You could assume that Mr Hurd will be in a strong position to argue with the Prime Minister, since to lose more than one Foreign Secretary per quarter would be regarded as careless, but I remain to be convinced.

The potential schism runs right through the party. Mrs Thatcher's mistrust of foreigners is shared by perhaps a majority of the rank and file; the perception that we must move with the rest of the EC has a strong following on Tory benches in the House of Commons, in spite of its association with Mr Edward Heath and perhaps because of the skillful way in which Mr Michael Heseltine has picked up the banner of modernism. Against that, Mr John Redwood won attention in July with a mid-night speech asserting the rights of the House of Commons... the ultimate power to make proposals from Europe comes from this House," he reminded it. Some in the Cabinet, like the Environment Secretary, Mr Christopher Patten, are crusading economic liberals; others, like the Employment Secretary, Mr Norman Fowler, or the Industry Secretary, Mr Nicholas Ridley, express the very spirit of Britain.

All of this is well understood by that catty pair of old socialist plotters, Mr Jacques Delors, the president of the European Commission, and Mr

Francois Mitterrand, the President of France. They were astounded by the Bruges speech, irritated by the period of British nit-picking over Brussels regulations involving cigarette-packets and the like, and bruised by Mrs Thatcher's tartness over Sir Geoffrey's tartness over the summit at the recent Madrid summit.

They are now rather clumsily and publicly preparing an ambush for Britain at the next summit in Strasbourg.

Mrs Thatcher cannot look to the German Chancellor for help, since Mr Kohl is known to harbour a strong personal antipathy for her; he is, anyway, preoccupied with the German elections due at the end of the year and committed to his alliance with the French. Her best hope lies in the possibility that the Delors-Mitterrand team will override it, particularly in persisting with every dot and comma of the latest draft of the social charter. If that happens, the Bruges-minded Tories will begin to win more of the arguments. Better yet, the Labour Party will probably continue to parade itself as the most European-minded of all on the ground that the EC will eventually enforce the "social justice" denied Britain by Thatcherism.

They cannot bank on such hopes, however. The reason lies in the intense political and nationalistic passions that are now seen to reside in the Prime Minister's soul. A week ago today, in Kuala Lumpur, Mr Foreign Secretary Major manoeuvred the 49 other Commonwealth heads of government a long way towards the British position on South Africa. Mrs Thatcher destroyed his victory by putting it all in much stronger language, just as she had done with Sir Geoffrey's carefully worked-out formula at Madrid. She would need to develop a wholly uncharacteristic restraint to keep herself from doing the same thing at almost any time over the coming months. That axe over the party's head is in the Prime Minister's own hands.



Geoffrey Howe, disgruntled survivor, Michael Heseltine, ambitious outsider, Douglas Hurd, convenient fall-back, David Waddington, counterweight

A curious mix of survivors

Malcolm Rutherford reviews Mrs Thatcher's Cabinet reshuffles

Party. Only a few weeks ago, she put in Mr John Major, whose qualifications for the Chancellorship were at least as good, but for the Foreign Secretaryship improved, to put it mildly.

Presumably the Prime Minister realised that her credibility would have been even more at stake if she had sought to put in one of her favourites. Professionalism told in the end. Hurd thus became one of the great survivors of the Thatcher period and, like others, with roots that go back to Mr Edward Heath, the former leader.

Another survivor, from whom not much has been heard lately, is Mr Peter Walker, now Secretary of State for Wales. Mrs Thatcher had no great objection to putting him in the Cabinet in the first place, but she did and she has never dared to dismiss him. The reasoning must be that he could be a greater threat to her brand of Conservatism outside the Government than within. Mr Walker, who seems to have been around for ever, is only 57 and has become a great European, with all the zeal of a convert.

There are others who have advanced more in spite of, than because of, the Prime Minister. The outstanding example is Mr Tom King, now the Defence Secretary. Mrs Thatcher declined to put him in her first Cabinet, even though he had been in her shadow cabinet. Since then he has been Secretary of State for the Environment, Transport, Employment and Northern Ireland.

Again the Prime Minister seems to have turned to him in emergencies rather than because he was her ideal choice. He has no particular resort to

A curious mix of survivors

Malcolm Rutherford reviews Mrs Thatcher's Cabinet reshuffles

feel grateful to her. Indeed when the battle for the succession comes, it would be unwise to overlook Mr King as an outside candidate who could make it as the compromise winner. Mr King is 56 and went down very well at this year's Tory Party Conference.

Norman Fowler, the Employment Secretary, is a survivor of another kind. He has one outstanding achievement to his credit. As Transport Secretary in Mrs Thatcher's first Government, he presided over the management buy-out of the National Freight Corporation, perhaps the most successful of the privatisations. Mr Fowler may have been less outstanding since, but he is still around and regards himself as speaking for Middle England - never a voice to be overlooked in the Tory Party. Mr Fowler is only 51.

Before Mr Lawson's resignation, Sir Geoffrey Howe looked like a survivor on the way out. Possibly he was allowed to stay on only because his popularity in the Parliamentary Party and in the country prevented Mrs Thatcher from demoting him any further. This weekend, however, it looks a bit different.

Sir Geoffrey was dismissed as Foreign Secretary in the summer in favour of a parvenu. He has now seen the post restored to a professional and a heavy weight - some justification of his own claim that he ought to have been allowed to stay on. He also has the nominal title of deputy Prime Minister. And if this year's public expenditure spending ministers and the Treasury, it will almost certainly be Sir Geoffrey

A curious mix of survivors

Malcolm Rutherford reviews Mrs Thatcher's Cabinet reshuffles

who is called to adjudicate, in what would be a highly political task.

By now Sir Geoffrey has no reason at all, except his own natural loyalty and decency, to be grateful to Mrs Thatcher. He disagrees with her profoundly of European policy. If he were ever to strike, or anyone were to seek to persuade him to do so, it would have to be fairly soon. Sir Geoffrey is bordering on 65 - only a shade younger than the Prime Minister.

Outside the Cabinet stalls - some would say sinks - Mr Michael Heseltine, now 56. So far, Mr Heseltine is the only Minister to have resigned rather than been dismissed, from Mrs Thatcher's Government and to have stayed in the political game. There is no need to speculate about his political ambition. Everybody knows what it is and he makes no attempt to hide it. He wants to be the next Tory Party leader.

Since departing over Westland, Mr Heseltine has behaved with consummate skill: hardly a hint of disloyalty, and almost never in public. At the same time, he has begun to map out a rather different future: more European and interventionist in economic policy. Only a fool would decline to put a modest bet on his chances of the succession.

Elizabeth, the general assumptions have been that the interruptions about the leadership would wait until after the general election, and that the outcome would depend on the result. Heseltine's near certainty of the Tories lost, for example. Probably the assumptions still hold, though I am not quite so sure.

What is clear is that there are enough independent people in the Cabinet - and outside - who could challenge Mrs Thatcher if they wanted to. The question is whether they could agree among themselves. Certainly it has never happened before, even when Sir Geoffrey and Mr Lawson were at the height of their powers. And even now Mrs Thatcher has used the reshuffle to shift some of the political balance. The new Home Secretary, replacing Mr Hurd, is David Waddington. For the first time in her premiership the Home Office will no longer be led a small "T" liberal.

A curious mix of survivors

Malcolm Rutherford reviews Mrs Thatcher's Cabinet reshuffles

feel grateful to her. Indeed when the battle for the succession comes, it would be unwise to overlook Mr King as an outside candidate who could make it as the compromise winner. Mr King is 56 and went down very well at this year's Tory Party Conference.

Norman Fowler, the Employment Secretary, is a survivor of another kind. He has one outstanding achievement to his credit. As Transport Secretary in Mrs Thatcher's first Government, he presided over the management buy-out of the National Freight Corporation, perhaps the most successful of the privatisations. Mr Fowler may have been less outstanding since, but he is still around and regards himself as speaking for Middle England - never a voice to be overlooked in the Tory Party. Mr Fowler is only 51.

Before Mr Lawson's resignation, Sir Geoffrey Howe looked like a survivor on the way out. Possibly he was allowed to stay on only because his popularity in the Parliamentary Party and in the country prevented Mrs Thatcher from demoting him any further. This weekend, however, it looks a bit different.

Sir Geoffrey was dismissed as Foreign Secretary in the summer in favour of a parvenu. He has now seen the post restored to a professional and a heavy weight - some justification of his own claim that he ought to have been allowed to stay on. He also has the nominal title of deputy Prime Minister. And if this year's public expenditure spending ministers and the Treasury, it will almost certainly be Sir Geoffrey

Dominating the front hall of Number 11 Downing Street are two full length portraits of one of Gladstone, the other of Disraeli.

Peter Norman measures the challenges facing Britain's new Chancellor

Groping for clarity in a house divided



Edward Mortimer on the dispossessed Vietnamese History's bitter cup for the boat people

Perhaps the bitterest episode in Anglo-American relations during this century, not excepting the Suez crisis, was the argument over Palestine in the 1940s.

The idea of Vietnamese, refugees or not, being forcibly herded on to boats or planes is repugnant

American TV, with people in British uniform doing the herding, an outburst of anti-British feeling in the US would be unavoidable.

He also faces a task unknown to his distinguished 19th century forebears which would have stretched their political and presentational skills to the utmost.

cent level to a rate in line with the UK's European partners and after those member countries of the EMS which still deployed exchange controls had lifted them.

was reassuring but gave nothing away. It underlined that inflation was the most damaging problem facing Britain, that monetary policy was tight and beginning to work and that monetary policy would be kept tight for as long as is necessary.

There is a strong desire for a clearer, rule-based system of economic management in Britain, for some sense of fixity

Street would know who to believe and Britain's economic policy would lack credibility. In the final analysis, he could not accept an alternative source of economic policy in the Prime Minister's office.

One theory circulating in the City yesterday was that Mr Major might decide to establish his credibility with the markets, by pushing for ERM entry. For a man who is reputed to be fearfully ambitious underneath a genial facade, a showing that he is not Mrs Thatcher's lapdog.

On a broader view of the UK economy, there are large-scale problems which support the existing policy of one day entering the ERM but not yet. The British economy is out of kilter with its European partners.

Already outside pressures for action are strong. Yesterday, Sir Leon Brittan, the EC Commissioner and former Government minister, advised his speech to many in the City trying full British membership of the EMS in a matter of months.

'A crisis of credibility'

From Professor R.P. Kinsella. Sir, The present crisis in macro-economic policy is one of credibility. Assertions and signals are no substitute for a rational policy.

ERMs now would be, if not painless, at least a sustainable basis for reducing inflation over the next year or 18 months. This is the only strategy which will permit a progressive return towards external balance without imposing excessively high costs on the productive sector.

Profitable productivity. From Professor Patrick Minford. Sir, Martin Wolf's surprisingly negative assessment (October 12) of the Thatcher supply side reforms is surely a tribute to Thatcherism.

Me first, please. From Mrs Penelope Maybin. Sir, Why do the FT go to pieces grammatically in its Weekend section? The problem lies in the financial 'agony aunt' letters.

Control of inflation is the Government's main policy goal. The UK's inflation performance is markedly inferior to that of the EC as a whole. It is mistaken to believe that 'autonomous' policy outside of the ERM provides an effective basis for bringing down the rate of inflation.

Conservation power. From Mr Ian Thompson. Sir, London's Battersea Power Station project is surrounded by rumour and speculation, and it is difficult sometimes to ascertain the truth.

Rara avis. From Mr Gerald Long. Sir, Having been rude about Giles MacDonogh's anchovies (September 28), I should record that I thought his partridges (Weekend FT, October 7) were a model of the genre.

Retail price for rhino. From Miss Lucy Vigne. Sir, When is everybody going to get it right that the main target for rhino horn (FT, September 30) is not an aphrodisiac, but - in the Far East - to reduce fever?

There are fundamental factors (particularly in budgetary and regional policy) to be addressed in relation to stages two and three of the Delors plan. There are alternatives to the structures proposed by Mr Delors. These do not include the theoretical, fanciful notion of competing currencies, which would be an administrative and commercial nightmare.

Testing time for schools. From Mr Paul Scruton. Sir, Arthur Hearnken says that "it is up to the senior independent schools to make up their own minds" whether or not to take part in the UK national curriculum testing at age 14 (Letters, October 14).

schools taking pupils at 13 plus will have only the autumn term for obstacle-free teaching before this process looms. Whether considering external reputation or educational benefit, independent schools may perceive a weaker case for joining in a national assessment at age 14: it may seem over-enthusiastic and over-detailed; and, coming just before two-year GCSE courses which do include an increasingly valued element of continuous assessment, it may seem irrelevant.

Testing time for schools. From Mr Paul Scruton. Sir, Arthur Hearnken says that "it is up to the senior independent schools to make up their own minds" whether or not to take part in the UK national curriculum testing at age 14 (Letters, October 14).

It borders on the willful to jeopardise the supply side of the economy in order to dampen consumer demand. Indeed, there is a strong case for favouring the benefits of immediate ERM membership through a revenue-neutral increase in VAT - whose incidence hears relatively more heavily on imported goods while at the same time providing some relief to the manufacturing sector, possibly by an offsetting reduction in national insurance contributions.

Proposals from the School Examinations and Assessment Council are likely to mean that in the year of testing, the most important innovation in European monetary history. R.P. Kinsella, University of Ulster, Coleraine, Co. Londonderry, Northern Ireland

Paul Scruton, 477 Ealingway Road, London N7

Lucy Vigne, Rhino Help International, Nairobi Office (RHINO), PO Box 15510 Mbagathi, Nairobi, Kenya

Table with columns: Project, Price, Yield, etc. Includes various investment opportunities like 'Alliance and Leisure', 'Gold Plus', 'BankSave Plus', etc.

UK COMPANY NEWS

Polly Peck buys control of Sansui

By Ian Rodger in Tokyo

MR ASIL Nadir, chairman of Polly Peck International, was the toast of the Japanese establishment yesterday after announcing that his UK-based electronics and fresh produce group would buy a 51 per cent stake in Sansui, the troubled minor Japanese audio group, for ¥15.6bn (£88.4m).

Japan has come under increasing foreign criticism over its institutional and cultural barriers to acquisitions at a time when Japanese companies have been rushing to buy foreign companies.

Polly Peck is only the third foreign entity to take control of a quoted Japanese company. All three have been friendly deals. In 1982, BOC Group, the UK industrial gases company, gained control of Osaka Sanso, a gases company, and the following year the US drugs group Merck bought control of Banyu Pharmaceutical.

"This deal demonstrates that Japanese financial markets are open," said Mr Hikaru Matsunaga, minister of international trade and industry. Mr Ryuzo Hashimoto, finance minister, added: "Japanese companies' investments in foreign firms are accepted and the reverse should also be accepted as long as they are friendly deals."

The purchase was front page

news in Japan's leading newspapers and topped yesterday's television news programmes. Mr Nadir did not try to understate the significance: "Today is almost a historic landmark in the relationship between Japan and other trading nations. The myths that Japan is not open to companies from foreign countries have been demolished at a stroke."

However, as in some previous cases, it appears that his bid came only after it became obvious that no Japanese companies were interested.

Mr Ryosuke Ito, who will stay on as Sansui chairman, confirmed that it had sought help from "many people" in recent months. Specialising only in audio equipment, Sansui has been unable to match larger competitors' efforts to stay competitive since the revaluation of the yen four years ago.

Sales have tumbled from ¥35.5bn in 1986 to an estimated ¥26bn in the current year to October 31. Mr Ito said the company would probably incur a loss of ¥6.4bn in the current year, bringing its cumulative deficit to ¥13.8bn.

The terms of the deal are not easy for other Sansui shareholders. Polly Peck is to be issued new shares for ¥400,



Asil Nadir (left) and Ryosuke Ito at the Tokyo Stock Exchange

roughly one third of their quoted value. Its consumer electronics subsidiary, Capetronic, was looking to acquire a well-known brand name as well as a base in Japan. Sansui's licence from Victor Corporation of Japan (JVC) to make video cassette recorders was also of interest.

Despite the inevitable pledges of mutual respect, a shake-up is imminent. A senior Toshiba consumer electronics executive has been recruited as chief operating officer and some production will be shifted to Polly Peck factories in Taiwan, Turkey and Malaysia. See Lex

Support weakens for three AFI dissidents

By Andrew Hill

INSTITUTIONAL support for three dissenting shareholders in Amalgamated Financial Investments could have been weakened by last week's sale of a large stake to an unknown buyer or buyers.

Mr Richard Wollenberg, Mr Rupert Pearce and Mr Colin Weinberg are attempting to join the AFI board at a special meeting after the investment company's annual general meeting next month.

But Target Trust Managers, the unit trust group owned by Trustee Savings Bank, has sold its 7.7 per cent holding, which would probably have been cast in favour of the dissidents.

A similar attempt failed in August, after motions for the

three shareholders' election were declared invalid by AFI's chairman. The trio believed that about 48 per cent of the group's shares would have been cast in their favour.

Target, which has been reducing its exposure to smaller companies, confirmed yesterday that it sold the shares last week, but said it did not know the identity of the buyer, or whether it was a single investor.

The buyer or buyers are thought to have paid 24p a share, compared with last Friday's closing price of 23½p and yesterday's closing price of 22½p, down ¼p. If the shares were bought by a single investor, the purchase should have been declared by yesterday.

Increased losses of £1.69m for Radamec

By Peter Pearce

PROBLEMS which beset Radamec Defence Systems in 1988 have continued to affect profitability adversely at Radamec Group in the first half of 1989. The control systems manufacturer fell sharply from pre-tax profits of £515,000 last time to a loss of £1.69m. The shares closed down 3p at 37p.

However Mr Leonard Whitaker, chairman and chief executive, said that the company "had pulled out of its rough period", that there was now a positive cashflow and that more than £2m of orders had recently been won.

In 1988, when profits fell to £430,000 (£1.88m), an RDS contract - a substantial order for Gunfire Control Systems - was lost at the last minute "for

good, sound, commercial reasons" to a US company, said Mr Whitaker. This time an overseas defence contract for the design and manufacture of high-grade cameras with Lensar, a small Florida-based lens maker, was proving problematic. As a result Radamec has made a full provision against amounts receivable of £709,000, increasing the losses total.

Mr Whitaker said that poor trading conditions in defence business worldwide had hit RDS, which made a loss, though all the group's other businesses had operated profitably. However, with interest charges of £260,000, operating losses were £977,000 on turnover of £4.99m (£6.73m). The interim dividend is omitted.

Mt Charlotte £100m placing

Mount Charlotte Investments, the hotel group, has placed a second £100m tranche of 10.75 per cent first mortgage debenture stock 2014. The stock was placed at £95.008 per £100 nominal, for a gross redemption yield of 11.358 per cent.

Applications for Mount Charlotte's £151m rights issue of ordinary shares, launched on September 23, close on November 13. It will be the second largest rights issue of ordinary shares to close after the mid-month slide in share prices. From 80½p on the day the issue was announced, Mount Charlotte shares have fallen to 70p, 2p below the offer price.

Star Computer shares fluctuate wildly

By Andrew Bolger

SHARES IN Star Computer Group fluctuated wildly yesterday after it announced pre-tax losses of £390,000 on turnover of £14.2m in the year to June 30.

The shares plunged from 53p to 25p then bounced as high as 60p before drifting back down to 53p, unchanged on the day.

Marketmakers said trading volume had been low and no buyers had built a significant stake in the company, which sells computer equipment and software. Star's joint chairman, Mr D Bleicher and Mr Jack Schumann, between them con-

trol 54 per cent of the equity. Star, which reported pre-tax profits of £964,000 in the six months to December 31, blamed its "very poor" results on problems which emerged in two areas of its business.

Connect Data, its cabling subsidiary, suffered substantial losses after it bought GDC, a Reading company also involved in the installation of data cabling systems in offices, in August 1988.

Star also said that its commercial systems business lost a lot of orders following the takeover of the division's main hardware supplier, Convergent

Suppliers, by Unisys. The figures include a stock writedown of £693,000, of which £198,000 was shown as an extraordinary loss.

In addition to these problems, Star said it had borne the substantial costs of moving its operations from the City to Watford, which it said would lead to significant savings in the future.

No dividend was recommended. Loss per share was 11.7p, compared with earnings of 11.3p last year. In the year to June 1988, Star made pre-tax profits of £1.21m on turnover of £12.8m.

Founder of TVS offshoot MTM quits

By Jane Fuller and Clay Harris

TVS ENTERTAINMENT, one of the UK's largest ITV companies, yesterday announced the resignation of Mr Arthur Price, president and chief executive of MTM Enterprises, its loss-making US television production subsidiary.

It was not clear last night whether Mr Price had left of his own accord or had been asked to go. As recently as Wednesday night, Mr James Gatward, TVS chief executive, denied that Mr Price had been dismissed and said he stood by his September statement: "I will do nothing to damage the fabric of the company and Arthur Price is part of that fabric."

Mr Price had founded the company, famous for its roaring Kings and TV series such as Hill Street Blues and St Elsewhere, in 1989 with Mary Tyler Moore and Grant Tinker. He joined the TVS board when it bought MTM for £180.5m in August 1988.

In a statement yesterday, Mr Price said the time had come for a change and he was looking forward to new opportunities.

Mr Gatward said senior executives at MTM regretted Mr Price's departure, which was announced one day after a meeting between TVS and its US banks. On Wednesday night, after what he described as a "rehearsal" for the next day's session, Mr Gatward said the meeting would be a routine annual presentation.

Mr Gatward, who has been making frequent trips to Los Angeles, is taking on responsibility for running MTM, which is expected to make a loss of £45m (£28m) for the year which ends next Tuesday. MTM's losses had arisen from a series of difficulties in the US market, TVS said. Despite efforts being made to turn MTM round, it was not expected to break even for another 18 months.

At the programme making level, MTM has been told to cut costs. The limit being placed on the deficit between the cost of making a programme and the price obtained for it from a TV network had been reduced to \$150,000 for a half-hour show and \$200,000 for a one-hour show. The company starts to make money on a programme three years after the network deal, through selling it on to smaller stations. But TVS said this secondary market had "fallen apart."

De-regulation had led to a proliferation of small stations chasing a limited amount of advertising revenue. They had started to job at paying the higher price of quality programmes, particularly the hour-long ones which were also more difficult to schedule. Most of MTM's "classy" shows have been in the one-hour format. TVS shares yesterday closed 4p higher at 185p.

US gives clearance for GM to start buying Jaguar shares

By Kevin Done, Motor Industry Correspondent

GENERAL MOTORS, the world's biggest car maker, has been given clearance by the US anti-trust authorities to commence buying shares in Jaguar, the UK luxury car maker, strengthening the likelihood of Ford, its arch domestic rival.

Ford, which has made a hostile approach to Jaguar, said yesterday that it had increased its holding in the company to 13.2 per cent (24,235,500 shares). It is believed to have spent around £170m for its present stake.

The announcement that GM had been cleared to start buying shares in Jaguar supported the share price in yesterday's strongly falling UK stock market.

Jaguar shares closed at 72½p, a gain of 5p, and close to the high for the year of 74½p that was reached in the wake of the initial Ford announcement last month, that it was seeking to become a major shareholder in

Jaguar. Ford has since announced that it is prepared to bid for 100 per cent of Jaguar, once the resolutions of Jaguar's current articles of association on individual holdings are removed.

In competition with the hostile Ford approach, GM is in the final stages of friendly negotiations on a series of far-reaching "manufacturing, marketing, and other commercial joint ventures" with Jaguar. It has said that it is considering taking a minority stake in the company.

Jaguar and GM are expected to reveal the details of an agreed deal shortly, which will then be put to shareholders.

Ford is now Jaguar's biggest single shareholder, however. Any GM/Jaguar deal involving



a minority holding is also likely to run into opposition from the arbitrageurs, who have bought heavily since Ford's first announcement and are now thought by financial analysts to own as much as 25-30 per cent of the Jaguar equity.

Mr Roger Smith, General Motors chairman, has told a group of British MPs that GM is pledged to maintain the independence of Jaguar "should agreement be reached on a plan for GM to provide a substantial cash injection and considerable technical help."

Sir Hal Miller, Conservative MP for Bromsgrove and chairman of the all-party motor industry group, which has just returned from a visit to Detroit, said that "it seems clear that GM have in mind a new engine plant and a new body shop which will also supply Jaguar. It is not yet definite that either of these will be located in Britain."

Delaney's ousted chief returns

By Nigel Fuller-Shapcott

MR NATHU Ram Puri, ousted as chairman of Delaney Group in May, has unexpectedly returned to the job, apparently uniting the two squabbling factions on the board of the furniture maker and shopfitter, writes Andrew Hill.

Mr Nigel Fuller-Shapcott, who succeeded Mr Puri, had resigned from the board.

In a statement issued after the market closed yesterday, Mr Puri said: "The board is now united and the much reported turmoil of the past months ended today."

He owns 28.8 per cent of Delaney through his private industrial group Melton Medes. The group first bought a 25 per cent stake last December. Mr Puri took over as non-executive chairman and Melton's

chief executive, Mr James Philpotts also joined the board.

But executive members of the board criticised Mr Puri after he tried to take a stronger executive role than they had anticipated. Although he stepped down as chairman in May, he and Mr Philpotts remained on the board.

Mr Puri said yesterday: "I am a non-executive chairman but I intend to make sure that I have the same input as Delaney as I have at Melton Medes."

Delaney has also appointed another non-executive director, Mr Barry Wild.

The damaging boardroom rift reappeared at the end of last month, after Delaney's interim profits had slipped from £1.52m to £329,000 before

tax. Mr Fuller-Shapcott commented on the board division in his statement, and Mr Philpotts took the unusual step of criticising the chairman's comments in a press release.

According to Mr Puri, those developments made the other directors question where the company was going.

Mr Puri said Mr Stuart Clarke would stay on as finance director and he hoped Mr Ray Ayres, managing director, would support the statement, would also continue.

In June, Mr Puri announced he wished to sell his Delaney stake at a premium to the then market price of 107p, but the shares have since slipped to close yesterday down 7p at 43p. He said yesterday that the holding was not for sale.

Engineering boost to C&S profit

By Nigel Clark

A SUBSTANTIAL increase in profit by its engineering companies and a first contribution from the property division helped Central & Sheerwoods report interim pre-tax profits much improved at £1.2m, against £168,000.

Mr Robert Maxwell, chairman, said that good progress had been made towards the restoration of the company's fortunes. The company still could not pay a dividend but reserves were becoming stronger and one would be recommended as soon as possible.

AL Durr, which makes aluminium castings and components, continued the strong development seen at the end of the previous year with higher sales accompanied by lower-than-budgeted overheads.

Coventry Apex castings manufacturer was affected by start-up costs on a new contract but these had been overcome.

In the present period the engineering companies continued to trade satisfactorily but Mr Maxwell warned that they were dependent on the continuation of a high level of activity in the motor industry.

In the six months to July 1 turnover rose 54 per cent to £25.64m (£16.98m). After tax this time of £275,000 earnings per share were 0.261p (0.065p).

Disney in deal with Pickwick

By Clive Pearson

THE WALT DISNEY Company has appointed Pickwick Group, a distributor of records, cassettes and videos, to handle the sales, marketing and distribution of all its children's books and audio tapes in the UK.

Pickwick is hoping the recent publicity associated with the flotation of EuroDisneyland, the theme park being built outside Paris, will have underpinned the popularity of these products.

"Disney Read-Along Collection" is to comprise not only old favourites such as "The Jungle Book" but also the soundtrack of "Oliver & Company".

This animated feature, which has already become the biggest grossing such film in the USA, is due to be launched in December in the UK.

It is anticipated that sales of the products will stand at in excess of one million units per annum, retailing at an average price of £2.

Last month Pickwick announced interim pre-tax profits 30 per cent up at £290,000.

The company is 21.2 per cent owned by Pearson, the printing, banking and industrial conglomerate which owns the Financial Times.

Probe into GPG sales requested

By Andrew Bolger

A GROUP of small shareholders has asked the Trade & Industry Secretary to investigate the break-up of GPG, the rump of the Guinness Peat Group, which has sold its three main subsidiaries to their separate managements.

The GPG Minority Shareholders Group, which represents 160 individuals, is unhappy about the disposals, which were approved by 72 per cent of the holders at a special meeting in September.

The three businesses are Fenchurch, GPG's insurance broking arm; Forstmann-Left Associates, its New York-based fund management company; and GMCO, the holding company for US operations.

Most criticism has centred on the sale of Forstmann-Left to its managers for £25m (£2m) cash plus an element of deferred payment and a small stake in the buy-out. GPG paid \$81m for the business in 1986.

AC up 33% in spite of interest rise

DESPITE SHARP rises in both operating expenses and interest charges AC Holdings was able to raise its profits for the 1988-89 year from £1.1m to £1.46m at the pre-tax level.

The year to end-June saw net assets per 5p share surge to 62p (38p) and earnings push ahead to 5.3p (5.1p). The directors expected continued growth in both areas. A final dividend of 1p makes a total of 2p (0.83p adjusted).

Turnover of the enlarged group, which has interests in securities, hotels and property, totalled £29.35m (£16.17m). Operating expenses for the period rose by £2m to £5.5m and interest charges by £1.48m to £1.54m.

Tax accounted for £27.115 (£23.010), minorities for £27.119 (£1.456) and extraordinary debits for £1.68m (nil).

Higher interest eats into Delyn profits

HIGHER interest payments resulting from the purchase of new equipment left taxable profits at Delyn Packaging for the six months to July 30 lower than £296,000. Mr Paul Norman, chairman, said that there had been difficulties in the early part of the year but these had been resolved.

Turnover was £1m higher at £20.0m (£19.0m). The interest charge was £215,000 (£136,000). After tax of £112,000 (£136,000), earnings per share fell to 2.42p (3.18p).

The interim dividend is maintained at 0.45p.

Aran Energy falls £0.33m into the red

LOSSES OF £233,000 (£299,000) at the pre-tax level were incurred by Aran Energy, Dublin-based oil and gas exploration and distribution company, in the first half of 1989. Restated profits of £247,000 were achieved last time.

The poor result was due mainly to adverse trading conditions in oil distribution in Ireland, directors said. Also, certain non-recurrent costs had arisen from implementation of a programme of rationalisation and reorganisation.



Turnover fell slightly to £11.4m (£11.54m) but operating losses were £222,000 (profit £127,000). In addition an exceptional £258,000 (nil) debit related to the redundancy costs incurred as part of the rationalisation programme.

A tax credit of £227,000 (£151m) left earnings per 20p share at 0.16p (0.89p).

Walker Greenbank sales accrue £14.6m

WALKER Greenbank, the one-time mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by management for £14.5m in cash. The group, now concentrating on

Craig & Rose rises 11% to £40,000

CRAIG & ROSE, the manufacturer of paint and varnish and supplier of all types of wall coverings, lifted pre-tax profits 11 per cent from £36,000 to £40,000 in the first six months of 1989.

Turnover rose to £2.89m (£2.49m) and earnings to 7.45p (6.75p) per share. The interim dividend is maintained at 2p.

The company said that export sales and profitability continued to be affected by exchange currency fluctuations, while domestic trade continued to develop. The costs of raw materials were continuing to rise and, due to severe

Losses rise at Maxiprint

LOSSES at Maxiprint, the USM-quoted maker of photographic equipment, rose from £265,000 to £299,000 for the year to end-May 1989. Turnover declined by £37,000 to £96,000.

Losses per share were 2.54p, against 2.18p.

The directors said the results reflected both the position previously forecast and the decision to write off all prior years' development costs.

They added that the next 12 months, particularly the second six, should show a significant turnaround and that first indications from the promotional programme were encouraging.

Lanca hit by interest costs

A £100,000 rise in interest charges together with the need to carry higher stocks to service customers' anticipated sales in the second six months cut profits of Lanca by £212,000 to £410,000 pre-tax for the opening half of the 1989 year.

Some loss of volume was experienced by both the fashion wear and handbag divisions but character merchandise showed sales gains and was beginning to benefit from the newly-acquired Hayjex range.

The second half was being affected by continuing high interest rates and conditions in the high street, with the important Christmas trade running later than in recent years.

First half turnover declined to £6.7m (£6.7m). Basic earnings emerged at 1.94p (2.62p) but the interim dividend is being maintained at 0.75p in view of the directors outlook for 1990.

Interest charges slow FIH

By Jane Fuller

FERGUSON Industrial Holdings, the printing, packaging and plastics group, saw its pre-tax profits increase only half as fast as its turnover in the six months to August 31.

With turnover up by 14.7 per cent to £73.36m, an interest charge of £1.31m (£940,000) held the pre-tax profit increase to 7.7 per cent at £5.25m.

Printing, the largest division with sales of £32.42m (£28.09m) enjoyed a 40 per cent increase in trading profit to £3.28m.

Mr Denis Vernon, chairman, said the US operation had improved both volumes and margins at the end of a two-year price war, which had seen two companies go bust. There had also been exchange rate gains.

Less impressive were the results of the packaging division. Much of the products' adhesive labels, for example - went to UK chain stores, said Mr Vernon, and these had pulled in their horns. Food stores, such as the one linked to convenience food heated in microwave ovens, had also continued to hit. Trading profit fell £244,000 to £2.95m on turnover slightly ahead at £28.5m.

The company is aiming to become Europe's number one maker of plastic clothes hangers and the plastics division raised trading profit by 16 per cent to £1.25m. The second half should see a significant contri-

bution from the newly-acquired Beuge, in south-east France.

The most dramatic profit increase came from the oldest division, publishing, where the company specialises in town guides. Thanks to new technology and improved management it contributed £223,000 (£90,000).

Mr Vernon stressed Ferguson's improved geographical spread: the US accounted for 31 per cent of turnover and 23 per cent of trading profit, with the figures for the UK down to 56 per cent and 67 per cent respectively. Next year the Continental arm would be strengthened by an expansion of Family Plastics' West German factory. The company also had a foothold in Hong Kong.

Half year earnings emerged 1p higher at 12.1p, the interim dividend is being lifted from 3.75p to 4.25p.



Denis Vernon - improved margins in the US

Mr Vernon stressed Ferguson's improved geographical spread: the US accounted for 31 per cent of turnover and 23 per cent of trading profit, with the figures for the UK down to 56 per cent and 67 per cent respectively. Next year the Continental arm would be strengthened by an expansion of Family Plastics' West German factory. The company also had a foothold in Hong Kong.

Half year earnings emerged 1p higher at 12.1p, the interim dividend is being lifted from 3.75p to 4.25p.

Without a further increase in interest rates, Ferguson may be right in saying that this summer was a low point in the UK as retailers' stockpiled, packaged food turned sour and clothes became sluggish in the hot weather. A seasonal upturn and underlying strength in niche markets

should help pre-tax profit to reach a modified expectation of £13m. It is just as well that margins in the US are on the up, because in the UK it will be difficult to pass on cost increases, say in raw materials or wages, to retailers competing more fiercely on price. Without acquisitions or disposals, gearing should fall from 70 per cent to 60 per cent. As the sense for diversifying overseas is indisputable, a UK sale would serve two purposes. A prospective multiple of nearly nine reflects the thinking that Ferguson is better placed than many to withstand hard times.

NEWS DIGEST

However turnover rose to £13.03m (£9.96m) and, after a tax credit of £129,000 (£83,000 charges), losses worked through at 3.7p (1.89p earnings) per share. The directors said that, as a sign of their confidence in

British Assets nav 13.5% ahead

British Assets Trust had a net asset value per share of 96.3p at September 30, an increase of 13.5 per cent over the 84.8p a year earlier.

A final quarterly dividend of 0.875p (0.7p) is recommended, for a total of 3.3p (2.7p). That exceeds the 3.25p forecast made at the time of the £150m equities index unsecured loan stock issue in April.

Walker Greenbank sales accrue £14.6m

Walker Greenbank, the one-time mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by management for £14.5m in cash. The group, now concentrating on

Walker Greenbank sales accrue £14.6m

Walker Greenbank, the one-time mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by management for £14.5m in cash. The group, now concentrating on

Walker Greenbank sales accrue £14.6m

Walker Greenbank, the one-time mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by management for £14.5m in cash. The group, now concentrating on

Walker Greenbank sales accrue £14.6m

Walker Greenbank, the one-time mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by management for £14.5m in cash. The group, now concentrating on

Walker Greenbank sales accrue £14.6m

Walker Greenbank, the one-time mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by management for £14.5m in cash. The group, now concentrating on

Walker Greenbank sales accrue £14.6m

Walker Greenbank, the one-time mini-conglomerate, is to sell its automatic car washing subsidiary Wilcomatic to a company headed by management for £14.5m in cash. The group, now concentrating on

MARKET STATISTICS

ECONOMIC DIARY

TODAY: African National Congress holds rally in Soweto. TDMOGRID: Clocks go back one hour. Informal meeting of the European Community agriculture council in Brussels (until October 31). Spanish general elections. **MONDAY:** London sterling certificates of deposit (September). BSI Sterling general election. Monetary statistics, including bank and building society balance sheets (September). The energy and social affairs councils of the European Community meet in Luxembourg. British Aerospace and Rolls-Royce works due to strike in support of engineering industry dispute. Council of Ministers and Professional Staffs hold 1st annual conference in London. Piper Alpha disaster inquiry resumes. **TUESDAY:** US leading indicators (September). US single family home sales (September). Commerce. Financial Times holds 'City' seminar at Pilesters Hall in the City of London. Special session of the Hungarian parliament in Budapest to decide on the final suspension of Nagy-marcos dam being built in conjunction with Austria and Czechoslovakia. Marks and Spencer interim figures. NatWest/British Franchise Association publish annual survey. Mr Hans Holkeri, Prime Minister of Finland, visits London (until November 3). **WEDNESDAY:** Advance energy statistics (September). Overseas travel and tourism (August). US factory orders (September). US construction spending (September). Labour Party shadow cabinet results. National Economic Development Council makes statement following meeting chaired by Mr Norman Fowler, Employment Secretary. Gosbank, the Soviet state bank, is to introduce a new 'special rate' for the Russian currency which will involve a 90 per cent devaluation; the new rate is to apply to all personal transactions for both Soviet and foreign citizens. US-Soviet standing committee mission begins 38th session in Geneva to review anti-ballistic missile Treaty. Mr Guy Coombs, Belgian Defence Minister, visits Budapest for talks aimed at creating better understanding between NATO and the Warsaw Pact and promoting East-West dialogue (until November 4). Press intergovernmental interim figures. **THURSDAY:** UK official reserves (October). Housing starts and completions (September). Capital issues and redemptions (October). US productivity and costs (third quarter preliminary). Franco-German summit in Bonn. Trade union conference on debt and conservation in Zurich. Building Employers Confederation makes statement on autumn state survey. Trade inquiry. **FRIDAY:** Water privatisation prospectus published. Informal meeting of the European Community cultural council in Stois.

EUROPEAN OPTIONS EXCHANGE

Series	Nov. 89		Feb. 90		May 90		Stock
	Vol	Last	Vol	Last	Vol	Last	
Gold C	1,370	34.0	1,370	34.0	1,370	34.0	3,374.60
Gold F	1,370	34.0	1,370	34.0	1,370	34.0	3,374.60
Gold P	1,370	34.0	1,370	34.0	1,370	34.0	3,374.60

Series	Nov. 89		Feb. 90		May 90		Stock
	Vol	Last	Vol	Last	Vol	Last	
AGN C	1,370	34.0	1,370	34.0	1,370	34.0	3,374.60
AGN F	1,370	34.0	1,370	34.0	1,370	34.0	3,374.60
AGN P	1,370	34.0	1,370	34.0	1,370	34.0	3,374.60

BANK RETURN

LIABILITIES	October 25, 1989	Increase or decrease for week
Public Deposits	412,222,100	+ 335,833,728
Bankers Deposits	1,464,789,750	+ 131,424,770
Reserve and other Accounts	2,294,045,897	+ 36,018,266
Total	4,171,060,847	+ 168,410,867

ASSETS	October 25, 1989	Increase or decrease for week
Government Securities	7,728,518,524	- 106,220,000
Advances and other Accounts	327,440,265	- 32,128,088
Premises Equipment & other Secs.	1,451,811,121	+ 387,413,726
Notes	9,733,537	+ 5,432,672
Other	167,070	- 27,663
Total	4,171,060,847	+ 168,410,867

BASE LENDING RATES

Bank	Rate	Bank	Rate
Barclays Bank	15	Barclays Bank	15
Bank of England	15	Bank of England	15
Bank of Ireland	15	Bank of Ireland	15

BANKING DEPARTMENT

Wednesday October 25, 1989

LIABILITIES

Public Deposits	412,222,100	+ 335,833,728
Bankers Deposits	1,464,789,750	+ 131,424,770
Reserve and other Accounts	2,294,045,897	+ 36,018,266
Total	4,171,060,847	+ 168,410,867

ASSETS

Government Securities	7,728,518,524	- 106,220,000
Advances and other Accounts	327,440,265	- 32,128,088
Premises Equipment & other Secs.	1,451,811,121	+ 387,413,726
Notes	9,733,537	+ 5,432,672
Other	167,070	- 27,663
Total	4,171,060,847	+ 168,410,867

ISSUE DEPARTMENT

Notes in circulation 15,020,286,483 + 34,667,328

Notes in Banking Department 9,733,537 + 5,432,672

Total 16,030,000,000 + 40,000,000

European Assets Trust N.V.

The net asset value at 30th September 1989 Dfl 9.14

BUSINESS SOFTWARE

A selection of software packages to suit your business needs appears every Saturday in the WEEKEND FT.

FINANCIAL ADVISER

THE PAPER OF RECORD FOR FINANCIAL SERVICES PROFESSIONALS

CAN YOU AFFORD TO MISS NEXT WEEK'S ISSUE?

- MEDICAL AND DISABILITY INSURANCE SURVEY;
- IN-DEPTH ANALYSIS OF THE POLARISATION DEBATE;
- FOCUS ON SIBS REPORT ON DISCLOSURE OF LIFE OFFICE CHARGES.

If you are an independent financial adviser, this is the paper you should be reading. It keeps you up-to-date with the news from the industry, supplies comprehensive coverage of all new products coming onto the market, and provides authoritative features to help you maintain a thorough understanding of the business. If you want to survive in today's competitive environment, Financial Adviser is the only serious choice.

Financial Adviser, Boundary House, 91 Charterhouse Street, London EC1M 6HR
A FINANCIAL TIMES PUBLICATION

UK BUILDING & CONSTRUCTION

The Financial Times proposes to publish this survey on:

20th November 1989

For a full editorial synopsis and advertisement details, please contact:

Alison Barnard on 01-873 4148

or write to her at:

Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES
LONDON'S BUSINESS NEWSPAPER

GRANVILLE SPONSORED SECURITIES

Company	Price	Change	Yield
343 295 As. Brit. Ind. Ordinary	336	0	11.3
38 28 Armitage and Rhodes	29	-	4.3
215 149 Barclay Group (S.D.)	159	-	4.7

Granville & Co. Limited
77 Mansell Street, London E1 8AF
Telephone 01-488 1112
Member of TSA

Granville Davies Limited
77 Mansell Street, London E1 8AF
Telephone 01-488 1212
Member of The ISE & TSA

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Friday October 27 1989	Thu Oct 26	Wed Oct 25	Tue Oct 24	Year ago (approx)	Highs and Lows Index
1 CAPITAL GOODS (208)	102.09	102.09	102.09	102.09	102.09
2 Building Materials (29)	102.09	102.09	102.09	102.09	102.09
3 Contracting (27)	102.09	102.09	102.09	102.09	102.09

FIXED INTEREST

PRICE INDICES	Fri Oct 27	Day's change	Thu Oct 26	Wed Oct 25	Tue Oct 24	Year ago (approx)	High	Low
1 Up to 5 years	116.77	-0.43	117.27	-	-	10.00	10.48	9.72
2 5-15 years	129.98	-1.14	131.44	-	-	11.60	12.16	10.92
3 Over 15 years	139.48	-1.80	142.84	-	-	12.00	12.56	11.28

SIP information

SIP
Societa Italiana per l'Esercizio delle Telecomunicazioni p.a.

Registered Office in Turin
Share capital L. 3,400,000,000 fully paid
Registered at Turin Court, n. 131/17 in the Register of Companies
Fiscal Code no. 0058060013

NOTICE CONVENING THE GENERAL SHAREHOLDERS' MEETING

Extraordinary and Ordinary General Meetings

The shareholders are hereby notified that the extraordinary and ordinary general meetings shall be held in the Conference Room of the Company Headquarters in Via Bertola 34, Turin at 10 a.m. on November 14, 1989 and, if necessary, for a second call on the following day at the same time and place, to discuss and resolve upon the following:

AGENDA

Extraordinary Meeting

- Proposal to split ordinary and preference shares of L. 2,000 nominal value into two L. 1,000 nominal value shares of the same category.
- Proposal to increase Shareholders' Equity as follows:
A) from L. 3,400 to L. 4,850 billion, thus in the amount of L. 1,250 billion, as follows:
L. 340 billion as a free bonus issue of 340 million new shares of L. 1,000 nominal value each, of which 220 million ordinary and 120 million preference shares;
L. 910 billion as a rights issue of 910 million ordinary shares of L. 1,000 nominal value each for current shareholders and convertible debentureholders at L. 1,300 each (hence at L. 300 above par value);
B) by a further maximum amount of L. 20 billion as an employee issue of 20 million ordinary shares to Company permanent employees at L. 1,300 each (L. 300 above par value).
- Proposal to further increase Shareholders' Equity, as per Article 2420 bis, paras 2 and 4 of the Italian Civil Code, by a maximum amount of L. 24 billion, exclusively as SIP 7% convertible debentures.
- Resolutions on the aforementioned operations and amendment to Article 5 of the Company Statute.

Ordinary Meeting

Resolution as per Art. 2384, No. 2 of the Italian Civil Code.

The shareholders shall have the right to participate in the aforementioned meetings provided that, at least five days prior to the date set for the meeting, they have deposited their share certificates at the Company's Registered Office in Via Dalmazzo 15, Turin, at the Roma Headquarters in Via Flaminia 189 or at any of the duly authorized SIP offices or at the Monte Titoli S.p.A., in the case of shares administered by the said Company. Outside Italy, shares may be deposited at branches of duly authorized Financial Institutions.

For the Board of Directors
MICHELE GIANNOTTA
(President)

Reports by the Board of Directors and Statutory Auditors - filed at the Company's Registered Office in Turin (Via San Dalmazzo, 15) and at the Roma Headquarters (Via Flaminia, 189) - shall be forwarded directly to the Shareholders habitually attending the Shareholders' Meeting and to those who should request them, with timely notice, by telephoning: Turin (011)55141 or Rome (06)36881.

The reports shall be available to the shareholders at the aforementioned Turin and Roma Offices as from the morning of November 8, 1989.

Gruppo IRI-STET

IG INDEX

9-11 GROSVENOR GARDENS, LONDON SW1W 0BQ
Tel: 01-828 7233 AFBO member

FISE 100
Nov. 2060/2075 +20
Dec. 2065/2080 N/C
5pm Prices. Change from previous 9pm close

FINANCIAL TIMES

11, Abchurch Lane, London EC4N 3DF
Tel: 01-488 1112

FINANCIAL ADVISER

THE PAPER OF RECORD FOR FINANCIAL SERVICES PROFESSIONALS

CAN YOU AFFORD TO MISS NEXT WEEK'S ISSUE?

- MEDICAL AND DISABILITY INSURANCE SURVEY;
- IN-DEPTH ANALYSIS OF THE POLARISATION DEBATE;
- FOCUS ON SIBS REPORT ON DISCLOSURE OF LIFE OFFICE CHARGES.

If you are an independent financial adviser, this is the paper you should be reading. It keeps you up-to-date with the news from the industry, supplies comprehensive coverage of all new products coming onto the market, and provides authoritative features to help you maintain a thorough understanding of the business. If you want to survive in today's competitive environment, Financial Adviser is the only serious choice.

Financial Adviser, Boundary House, 91 Charterhouse Street, London EC1M 6HR
A FINANCIAL TIMES PUBLICATION

INTERNATIONAL COMPANIES AND FINANCE

Improved computer sales lift NEC

By Stefan Wagstyl in Tokyo

NEC, one of Japan's largest electronics groups, yesterday reported a 13.6 per cent increase in interim profits to ¥47.2bn (\$333m), as increasing sales of computers and semi-conductors offset a decline in sales of telecommunications equipment.

conductors sold well at home and abroad. In telecommunications, sales dropped 0.6 per cent to ¥871bn due to a decline in demand for transmission equipment from Nippon Telegraph & Telephone after a surge last year.

Y2,740bn, a 7.8 per cent increase, and pre-tax profits of ¥130bn, up 6 per cent. NEC was reporting parent company figures.

investment. For the year, the company expects profits of ¥70bn and sales of ¥1,060bn. Nikon, the Japanese maker of cameras and semiconductor manufacturing equipment, reported a 71 per cent increase in pre-tax profits to ¥12.1bn for the parent company for the six months to the end of September.

Acquisitive Orkem to buy Bostik for \$345m

By William Dawkins in Paris

ORKEM, the French state-owned chemicals producer, revealed yesterday that it is to buy \$345m for Bostik, the US adhesives and sealants group.

This is the second big takeover planned by the French company this week, following its announcement that it is considering a £115.7m bid for Coates Brothers, the British inks and resins producer in which it already holds a 46.6 per cent stake.

The two deals would cost Orkem - formerly known as CDF Chimie - around \$370m (\$592m) at Coates' present share price. That compares with Orkem's borrowings of FF2.7bn (\$422m), 50 per cent of its shareholders' funds.

Montedison to buy minor holdings in drugs unit

By John Wyles in Rome

MONTEDISON, the Italian chemicals and pharmaceuticals company controlled by Mr Raul Gardini's Ferruzzi group, announced yesterday that it had reached a \$450m agreement to acquire the minority shareholdings of its pharmaceutical subsidiary, Erbamont.

minority shareholders are to receive \$37 a share in cash, instead of the \$38 with a \$2 warrant on Montedison stock offered by Erbamont at the beginning of August. Since the regulations of the Dutch Antilles, where Erbamont is incorporated, do not provide for merger transactions, the tender offer to minority shareholders will be followed by the sale of Erbamont assets to Montedison, after which Erbamont will be liquidated.

developing Erbamont's business and to optimise financial returns for Montedison shareholders. He said his company was not negotiating to sell Erbamont and that it intended to develop Erbamont's specialisation in drugs for the circulatory and nervous systems.

Shiseido sales hit by tax changes

By Stefan Wagstyl

SHISEIDO, Japan's largest cosmetics maker, yesterday reported parent company sales of ¥160bn (\$1.13bn) and pre-tax profits of ¥13.5bn for the six months to the end of September.

The company said the value of sales was hit by the abolition of luxury taxes and the introduction in April of a consumption tax.

No direct comparison with previous periods could be made because the company is changing its year-end from November to March.

For the full year to the end of March, Shiseido forecasts sales of ¥315bn and pre-tax profits of ¥27bn. This compares with sales of ¥241bn and profits of ¥24.7bn in the year to November 1988.

Net income rose 5.1 per cent to ¥10.2bn or ¥91.90 per share. The company is forecasting a record pre-tax profit of ¥42bn for the full year.

Steel product sales rose 5.7 per cent to 1.86m tonnes, with a buoyant construction sector causing strong demand.

Net income rose 5.1 per cent to ¥10.2bn or ¥91.90 per share. The company is forecasting a record pre-tax profit of ¥42bn for the full year.

Steel product sales rose 5.7 per cent to 1.86m tonnes, with a buoyant construction sector causing strong demand.

Net income rose 5.1 per cent to ¥10.2bn or ¥91.90 per share. The company is forecasting a record pre-tax profit of ¥42bn for the full year.

Steel product sales rose 5.7 per cent to 1.86m tonnes, with a buoyant construction sector causing strong demand.

Munich Re in discount issue

By Haig Simonian in Frankfurt

MUNCHENER Rückversicherung (Munich Re), the world's biggest reinsurance company, is raising almost DM16bn (\$88m) via a one-for-10 deep discount rights issue, creating 850,000 new shares.

The company, which will report its figures for 1988/89 at the end of next week, also confirmed an unchanged dividend of DM10 a share.

The new issue continues the company's policy of rewarding shareholders via a mixture of periodic dividend rises or deep discount rights issues. In this case, shareholders will be able to buy new shares at DM250 each, against a closing price of DM215 on Thursday.

Prospects for the 1989/90 year remained good, according to the group. Despite a heavier burden from large losses such as natural disasters, it expects to pay an unchanged dividend, it said.

Meanwhile, the company was cautious about the likely effect of this month's Californian earthquake on its 1988/89 earnings. "From today's viewpoint, we can't give any serious figures," said Mr Reinhold Küppers, a Munich Re official.

"Naturally, Munich Re, which has a substantial US business, will have to pay." However, the greatest uncertainty concerns the likely size

of claims under policies covering industrial fire and loss of profits following fire, he noted.

In contrast to claims for property damage, the size of such payouts will depend on how long businesses remain out of action, he said.

"In the 1906 San Francisco earthquake we paid out the substantial sum of DM11m," said Mr Küppers. The group's prompt payment then, in comparison to certain counterparts, helped to create the foundations of its big US business today, and led to the expression "Thieme (the name of the company's then chief executive) is money," he said.

Mining companies plan links

By Chris Sherwell in Sydney

BHP and CRA, two of Australia's largest mining companies, yesterday announced separate agreements with foreign partners for ambitious new resource projects.

BHP-Utah, the group's minerals arm, plans a joint venture with Elkem of Norway that involves BHP's ferro-alloy smelter in Tasmania and Elkem's manganese ferro-alloy smelter near Montreal, Canada.

BHP mines manganese at Groote Eylandt in the Gulf of Carpentaria. Although it processes some in Tasmania, most

of the manganese is exported, some to Elkem. The two companies are also related through furnace design and supply.

Under their plan, which is subject to agreement and government approvals, the companies aim to co-ordinate product mix and material distribution at the smelters to economise and improve technology.

Elkem's manganese ferro-alloy smelter's position and provide a stronger, stable base for its manganese exports. Elkem is the world's largest producer of manganese ferro alloys, with

plants in Norway, Iceland and the US as well as Canada. CRA, an affiliate of RTZ of the UK, announced that Mitsubishi Development of Japan was to acquire 40 per cent of its Howick open-cut steaming coal mine.

The mine was among the interests CRA bought from BP a week ago in a US\$275m deal. CRA and Mitsubishi have a 50-40 partnership in the Oaklands steaming coal deposit in New South Wales. CRA will manage the Howick operation, which produces more than 3m tonnes of coal a year.

Soy sauce maker up

By Jim Jones in Johannesburg

ROMATEX, the South African textiles and packaging company, suffered from the Government's austerity measures and strikes at large customers' plants in the year to September 30. Turnover grew by less than the inflation rate, while profits before tax dropped.

The year's turnover was R746m (2003m) against R674m in the previous year. Operating

S African austerity moves hit Romatex

By Jim Jones in Johannesburg

ROMATEX, the South African textiles and packaging company, suffered from the Government's austerity measures and strikes at large customers' plants in the year to September 30. Turnover grew by less than the inflation rate, while profits before tax dropped.

The year's turnover was R746m (2003m) against R674m in the previous year. Operating

profit before tax and interest was R83.6m against R86.4m, and the pre-tax profit fell to R76.7m from R84.0m.

Sales were affected by motor industry strikes which cut demand for carpeting used in car trims. The rope and twine interests have been sold and there are plans to sell the packaging interests. These sales are being accompanied by rational-

isation which will allow Romatex to concentrate on the carpet sector, in which it has almost 60 per cent of the market.

The directors believe the rationalisation will increase earnings this financial year. Earnings dropped to 214.3 cents a share in the past year from 217.2 cents but the dividend rises to 78 cents from 75 cents.

Bayerwerk raises stake in paper group

By David Goodhart in Bonn

BAYERWERK, the West German utility part-owned by fellow utility Vlag and part by the Bavarian Government, has increased its stake in the Bavarian paper group, FWA, from 25 per cent to 46 per cent.

Feldmühle, the Düsseldorf paper group, is also reported to have bought the 50 per cent of French paper group Papefrie Beghin Corbehem that it did not own.

Bayerwerk's move is further evidence of the trend of the German utilities to use good cash flow to diversify into mainly energy-intensive industries such as chemicals and paper.

LIN bolsters defences in fight against McCaw bid

By Roderick Oram in New York

LIN BROADCASTING, owner of some of the most valuable US cellular telephone licences, stepped up its defences yesterday against a hostile takeover offer from McCaw Cellular Communications, the largest US player by number of customers.

LIN is to pay \$1.9bn to buy out Metromedia, its main partner in one of New York City's two cellular licences. Yesterday it also sweetened the terms for its shareholders of its proposed pooling of cellular telephone assets with BellSouth, the largest US regional telephone company.

LIN has been trying for years to buy Metromedia's 46 per cent stake to give it 91 per cent ownership of the New York licence. Its opportunity

came three weeks ago when Metromedia agreed to sell the stake to McCaw, triggering LIN's right of first refusal.

The manoeuvres are part of the industry-wide scramble to complete licences, territories and thus create more efficient service areas.

Under the improved agreement with BellSouth, LIN will offer its shareholders an special cash dividend of \$42 a share, up from the \$30 first offered. LIN will still spin off its television stations to shareholders.

Under the revised terms, public shareholders owning the remaining 50 per cent won stronger safeguards to ensure they will benefit from the rapidly escalating value of cellular telephone assets.

Restructure Unisys in the red

By Martin Dickson

UNISYS, the computer systems manufacturer, yesterday reported a third-quarter net loss of \$64.3m resulting from its large restructuring programme, the weakness of the computer market and contract losses in its defence business.

The company had announced that it would be cutting its workforce by about 8,000 and consolidating its manufacturing capacity to slash its costs by about \$600m. But until yesterday it had not spent out the price of the cut-back.

The third-quarter loss compares to net income of \$151m in the same period of last year, while the fully diluted loss per share of \$4.25 compared to earnings of 72 cents in 1988.

Revenues for the quarter totalled \$2,955m, up 4 per cent, with strong computer business growth partly offset by a decline in defence business.

The company said the pre-tax cost of its restructuring programme was about \$230m. But it also announced costs of \$150m for estimated losses on fixed price defence contracts and litigation liabilities.

Mr Michael Blumenthal, chairman of Unisys, said the company's restructuring would enhance profitability and cash flow in 1990. "With a lower break-even point, we are aiming to earn adequate returns even if revenue growth remains sluggish and the pricing environment remains difficult."

For the nine months, net income was \$626m or \$4.67 a share, compared to \$504m or \$4.61 last year.

Hugo hits Aetna income

By Martin Dickson in New York

AETNA LIFE & Casualty, the largest quoted US insurance company, yesterday reported a 22 per cent drop in third quarter net income, due mainly to the impact of last month's Hurricane Hugo.

The group said net income totalled \$158m at \$1.53 a share, compared to \$206m or \$2.07, in the same period of last year.

Mr James Lym, the chairman, said a continuing improvement in group insurance results had been more than offset by reduced income in the property and casualty sector.

In commercial and re-insurance business, this reflected a continued depression in the property-casualty business and

substantially higher catastrophe losses.

Hurricane Hugo, which devastated South Carolina, accounted for some \$36m of a \$60m cut in net income from catastrophes. Last year catastrophe losses were \$6m. Aetna said it was too soon to estimate the impact of this month's San Francisco earthquake on a fourth-quarter figure.

"If that had not resulted in motor and homeowners' insurance reflected high loss costs.

The third-quarter figures included net realised capital gains of \$48m, against \$45m in the same period of 1988. For the nine months, net income was \$626m or \$4.67 a share, compared to \$504m or \$4.61 last year.

WORLD COMMODITIES PRICES

Table with columns: WEEKLY PRICE CHANGES, Latest prices, Change on week ago, Year on year, High 1989, Low 1989. Includes sections for SPOT MARKETS, COCOA, COPPER, SOYABEAN MEAL, RUBBER, and CRUDE OIL.

Table with columns: LONDON METAL EXCHANGE, Prices supplied by Amalgamated Metal Trading, Close, Previous, High/Low, AM Official, Korb close, Open Interest, Ring turnover. Includes sections for COINTEGRATED - BHP, SOYABEAN MEAL - BHP, FRESHMEAT FUTURES - BHP, GRAIN, and TRADED OPTIONS.

Table with columns: US MARKETS, IN THE METALS, COMMISSION HOUSES, and LOCAL TRADERS. Includes sections for GOLD 100 Troy oz, SILVER 5,000 Troy oz, and PLATINUM 50 Troy oz.

Table with columns: Chicago, SOYABEANS 5,000 bu min, cents/100 bushel, SOYABEAN MEAL 100 tons, \$/ton, WHEAT 5,000 bu min, cents/100 bushel, LIVE CATTLE 40,000 lbs, cents/lb, and LIVE HOGS 30,000 lbs, cents/lb.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Weak pound drags down dollar

STERLING FELL below DM2.90 and closed towards the bottom of the day's range in London after the Bank of England sent a strong signal to the financial markets that bank base rates are to be held at 15 per cent, at least for the time being.

Bank of England made its position on interest rates clear in providing its afternoon help to the London money market. The central bank decided not to buy bills, although dealers said the bank and discount houses would have been more than willing to sell paper - but offered to lend money to the discount houses and stated in advance that the rate would be 15 per cent. The authorities also refused offers for bills at the weekly Treasury bill tender, because the rates at which the market bid would have indicated higher base rates.

whether a political crisis, rather than an economic problem, could be solved by simply raising interest rates. Sterling closed 8 penceplugs lower than the previous London close, at DM2.8550. It also fell 6.80 cents to \$1.5765, and declined to ¥233.75 from ¥238.50; to SF7.5225 from SF7.5925; and to FF9.7975 from FF10.0625. The pound's index fell 1.5, to close at 93.2, the lowest level since the index was rebased at the end of last year.

Table with 3 columns: Currency, Rate, Change. Includes Sterling, DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

Table with 3 columns: Currency, Rate, Change. Includes DM, SF, FF, ¥, £, \$.

FINANCIAL FUTURES AND OPTIONS

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

FINANCIAL FUTURES AND OPTIONS

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

Table with 3 columns: Contract, Price, Change. Includes S&P 500, FTSE 100, etc.

LONDON MARKETS

DIVIDENDS ANNOUNCED

Table with 5 columns: Company, Current payment, Date of payment, Carries - pending dividend, Total for year, Total last year.

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †In capital increased by rights and/or acquisition issues. ‡SUSM stock. §Unquoted stock. ¶Third market.

LONDON RECENT ISSUES

Table with 5 columns: Issue, Price, Yield, etc.

FIXED INTEREST STOCKS

Table with 5 columns: Issue, Price, Yield, etc.

TRADITIONAL OPTIONS

First Dealings Oct 23, Greenbank, Control Secs, Storehouse, Charlton, Hamson, etc.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION... NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice Chancery Division dated 13th October 1989...

EDUCATIONAL

Learn another language. Learn French in France with French Managers... 7-day intensive Residential Courses.

PERSONAL

YOUR COMPANY'S SUCCESS LIES IN EUROPE... Learn another language. Learn French in France with French Managers...

MOTOR CARS

RENAULT 5TL. C reg. 1986 Bordeaux-Red 5-door, 5 gears. One lady owner since new. 35,000 miles. Mechanics and interior in excellent condition.

FT GUIDE TO WORLD CURRENCIES Every Tuesday in the FT

LONDON TRADED OPTIONS

Table with 5 columns: Contract, Price, Change, etc.

MONEY MARKETS

Nervous trading. SHORT TERM rates rose sharply on the London money market yesterday morning with three-month interbank touching 15 1/2 per cent as the market waited nervously for a signal from the Bank of England on whether bank base rates were to rise.

RIGHTS OFFERS

Table with 5 columns: Company, Price, etc.

BUSINESS SOFTWARE

A selection of software packages to suit your business needs appears every Saturday in the WEEKEND FT. Order your copy today.

WORLD STOCK MARKETS

AMERICA

Programme trading wave routs an attempt to rally

Wall Street
SUSTAINED anxiety about the outlook for economic growth and corporate profits pushed stocks into retreat yesterday for the fifth day in a row, writes James Buchanan writes in New York.

Philip Morris, another star, was down 3% at \$41 1/4, while Coca-Cola lost \$1 to \$70 1/4 and Procter & Gamble shed \$1 1/4 to \$125.

EUROPE

Nervous balance between risks and opportunities

The resignation of Mr Nigel Lawson, the UK Chancellor, added to the uncertainty facing continental markets, but yesterday's losses of between 1 and 3 per cent were due more to weakness on Wall Street, writes Our Markets Staff.

relief as the combination of a weak dollar, falling Wall Street and losses in the leading UK quoted stocks pushed the market down 2.3 per cent.

Growing investment flows head for Europe

PITY THE poor fund manager - even without the Lawson factor. A Wall Street crash once every 50 years or so is one thing; two mini-crashes on the Dow Jones within two weeks in October is quite another matter.

than \$4bn in overseas shares in a four-month binge immediately after the October 1987 crash.

FTA-WI Sterling Total Returns table with columns for Q1, Q2, Q3, Q4 to date, and Year to date for various regions like North America, Europe, etc.

ASIA PACIFIC

Renewed interest rate worries rattle nerves

Investors lost their nerve in the face of other interest rate fears and share prices suffered a bout of broad-based profit-taking, writes Michiko Nakamoto in Tokyo.

video game maker, lost Y200 to Y140.

assets, vied with the intention of Lion Nathan, the New Zealand brewer, to proceed with an earlier agreement to acquire half the brewing interests.

SINGAPORE ended 2 per cent lower on the week with the Straits Times Industrial Index down 11.35 yesterday at 1,319.27.

FT-ACTUARIES WORLD INDICES

Table with columns for National and Regional Markets, US Dollar Index, and Dollar Index, listing various countries and their market indices.

INVESTMENT DECISIONS? NOW YOU CAN GET ALL THE ANGLES... STRAIGHTAWAY

Advertisement for Investors Chronicle magazine, including a large 'INVESTORS CHRONICLE' logo and subscription information.

LONDON STOCK EXCHANGE

Heavy losses in gilts and equities

THE UK securities markets suffered heavy losses in both Government bonds and ordinary shares yesterday as they struggled to absorb prospects for sterling and domestic interest rates in the face of the political storm raised by the change of Chancellors of the Exchequer in the British Government.

Account Dealing Dates table with columns for Date, From, To, and Description.

couple of points and failed to make good their losses, although the Bank of England, raised fears that either domestic interest rates may yet be forced higher again or that overseas investors may begin to sell UK securities because of currency worry.

Just short of the day's lows, it had become clear the Bank was not going to immediately raise interest rates above 15 per cent. The equity market suffered a loss of nearly 50 points to close at its lowest level since April 25, but traders congratulated themselves on having avoided the worst of the nightmares conjured up overnight.

The market rallied successfully in modest trading. Later, as sterling steadied for a time, institutional buying of equities increased. The final reading showed the FT-SE index down 47.3 at 2,083.1, with shares shading easier in the final hour, when the new equity Account opened in the face of a poor start by Wall Street. Seaq volume of 840.8m shares, was dispersed by a 150m share placing of Barclay's Holdings, a gamma, or thinly-traded stock, but still high by the standard of recent trading sessions.

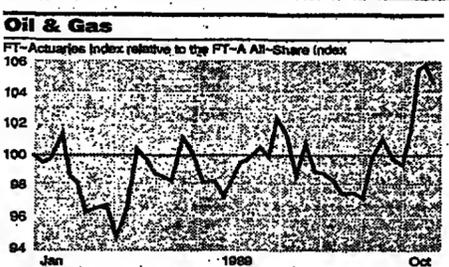
closed last night. The setback which has been triggered by worries over the economic outlook in the UK quickened this week as the political crisis followed news of another heavy monthly deficit on UK trade, poor trading figures from ICI and a series of losses on Wall Street. The Footsie shed 77 points over the week. Equity traders expect the market to face further severe testing next week as the battle over sterling continues. UK funds are believed to be satisfied with the current valuation of equities, and prepared to ride out the storm - at least for the present. But overseas investors are more nervous.

FINANCIAL TIMES STOCK INDICES

Table of stock indices including Government Bonds, Fixed Interest, Ordinary Shares, Gold Mines, FT-SE 100 Share, and GILT EDGED ACTIVITY.

Traders narrow ICI deals

Trading in ICI, one of the market's most widely held stocks, mirrored experiences elsewhere in equities as traders reacted to the overnight developments on the UK political front. The day's first quotation saw ICI assets nearly 50 down at 105p with some marketmakers widening their quoted price spreads and lowering the size of bargain in which they were prepared to trade, all in an attempt to avoid the sellers. In fact good quality buyers appeared but were unable to buy stock in useful size.



of 10 per cent dividend growth. Added to the political risks, dealers said, were concerns that OFGAS, the official gas regulatory body, "cutting up rough with Gas," as one put it, and to competition in the gas market from the Base/Shell partnership announced earlier in the week.

Gas in demand

The privatisation stocks were among the market's busiest, and British Gas was heavily traded with some 30m shares changing hands in extremely busy two-way trade. The British Gas share price was hit by numerous orders and fell sharply to touch 189p, before steadying and closing a net 7 lower at 185 1/2p.

tion towards Morgan. The slump in share prices and market confidence dented SG Warburg, which owns SG Warburg Securities, one of the market's top marketmaking firms, fell 21 to 402p.

NEW HIGHS AND LOWS FOR 1989

Table listing new highs and lows for various sectors like Insurance, Health, Leisure, etc.

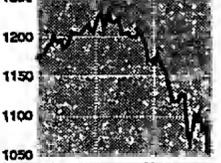
RISES AND FALLS

Table showing rises and falls in various sectors like British Funds, Corp. Dom. & Foreign Bonds, etc.

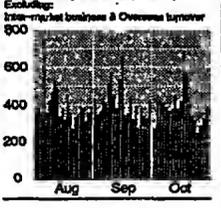
composites provided the Footsie with one of the two stocks showing a rise on the day in Commercial Union (CU). CU shares were strongly supported and closed 1 1/2 higher at 445p on turnover of 2.5m which was boosted considerably by a single trade of 800,000 shares struck some 30 minutes before the close; there was talk of stake-building in CU where fellow-composite Sun Alliance has a 14.5 per cent holding.

However, most traders believed it unlikely for Tesco to move outside its core business. Tesco had managed to edge back towards Thursday's closing levels before the market speculation knocked it back down again.

FT-A All-Share Index



Equity Shares Traded



would "only be required in the short term." Although analysts expect a strong rise in profits there have been worries that even M&S will not be able to avoid entirely the impact of higher interest rates.

Great Universal Stores slipped back in early trading on worries about its mail order business. But the market soon recovered its composure and decided its doubts may have been misplaced. Gns "A" closed down 1 1/2 at 101 1/2p after opening at 98 1/2p.

LEADERS AND LAGGARDS

Table showing percentage changes since October 20 1989 for various sectors.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks like ICI, British Gas, etc.

But a trader in the stock compassed that trading in the shares had been extremely thin. Other market statistics, including the FT-Acquis Share Index and London Traded Options, Page 9.

Barclays Bank has appointed the following corporate directors: Mr David Caspers, consumer industries, Mr John Clarke, primary industries, Mr Brian Page, technology, Mr David Thompson, food, drink and commodities, Mr Derek Arditt, retail, Mr Anton Fawcett, acquisition finance, Mr Richard Oliver, mining, Mr Peter Scott, property and construction, and Mr John Roper, aerospace.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds with columns for Coupon, Rate, Price, Change, Yield, Week ago, Month ago.

APPOINTMENTS

Finance post at National & Provincial

NATIONAL & PROVINCIAL BUILDING SOCIETY has appointed Mr Keith Starkey as finance director of its financial services subsidiary and head of group financial planning. He joins from Coppers & Lyburn.

Mr Dominic Bouldier

Mr Dominic Bouldier (above) has been appointed group strategy director of BLUE CIRCLE INDUSTRIES. He was a manager with the Boston Consulting Group.



BARCLAYS DE ZOEETE WEDD, merchant banking subsidiary of the BZW Group, has appointed Mr John Padovan as deputy chairman; Mr Graham Pimlott (left) as chief executive of the merchant banking corporate finance division; and Mr Calum McCarthy (right) as deputy head of the corporate finance division and a managing director.

Mr Alex de Gelsay

Mr Alex de Gelsay, founder of Sericol, the printing inks division of BURMAN SPECIALITY CHEMICALS, is retiring as chief executive on October 31, but will continue as non-executive chairman.

Mr Tom Kirk

Mr Tom Kirk, deputy chief executive of the printing inks division and he will also join the board of Burman Speciality Chemicals.

Barclays Bank corporate directors

BARCLAYS BANK has appointed the following corporate directors: Mr David Caspers, consumer industries, Mr John Clarke, primary industries, Mr Brian Page, technology, Mr David Thompson, food, drink and commodities, Mr Derek Arditt, retail, Mr Anton Fawcett, acquisition finance, Mr Richard Oliver, mining, Mr Peter Scott, property and construction, and Mr John Roper, aerospace.

Mr Michael V. Hoop

Mr Michael V. Hoop has been named managing director of WARNER HOME VIDEO (WHV)/UK, a subsidiary of Warner Bros Inc. He was managing director of MGM/UA Home Video (UK).

Mr Valin Pollen

Mr Valin Pollen has appointed Mr John Harben, former deputy managing director of Broad Street Associated Public Relations, as board director-designate and head of financial and corporate public relations.

Mr Hiroyoshi Aoki

Mr Hiroyoshi Aoki (left), director and general manager, THE NIPPON CREDIT BANK, London branch, has been appointed corporate director for Japanese international customers, and is returning to Tokyo. He is succeeded by Mr Tetsuo Tabei (right), from the international securities division.

Mr Chris Diek

Mr Chris Diek has been appointed managing director of DECLAN KELLY HOMES (FRANCE) and DECLAN.

Mr Tom Kirk

Mr Tom Kirk, deputy chief executive of the printing inks division and he will also join the board of Burman Speciality Chemicals.

WEEK IN THE MARKETS

Sterling fall confuses price trends

THE SLIDE in the value of sterling which followed the resignation on Thursday of Nigel Lawson as Britain's Chancellor of the Exchequer served only to confuse the bearish picture that was already apparent on the London Metal Exchange. Most dollar-denominated prices came under further pressure yesterday while copper and lead, both quoted in sterling, were enabled to recover some of their lost ground.

coming to an end last weekend and Mexico's Cananea mine expected to reopen soon, fueling worries about the supply situation in copper prices. The cash quotation dipped to a 34-month low on Thursday before gaining 443 yesterday to close the week \$105 down on balance at 21,729 a tonne. With the three month position falling only 227 on the week the cash premium narrowed by 118 to \$11.50 a tonne.

exchange yesterday the gold price gained \$5 to \$374 a troy ounce - the highest closing price for exactly four months - in response to falling stock markets in the US and the UK as well as the dollar's weakness.

early dealings. Dealers did not seem to have been looking out much beyond a fresh initiative on cocoa prices support emerging from this week's meeting of the Cocoa Producers' Alliance in Lome, the capital of Togo.

While the dollar was gaining ground against the retreating pound, however, it was slipping back against most other leading currencies, and that factor helped the dollar-denominated gold price to climb to a four-month high yesterday.

The nickel market was also weak, with cash metal dipping a tonne on Thursday before steadying yesterday to end \$187.50 down on the week at \$10,250 a tonne. But traders said chart patterns were still pointing towards further falls. At the London hullion

Rubber prices were little changed on the London physical market but a continued slide in Kuala Lumpur took the International Natural Rubber Organisation's daily indicator price below the point at which the organisation's buffer stock manager is permitted to begin support buying.

Richard Mooney

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Table listing various unit trusts such as Wellington Fund, Wincor Fund, and others, with columns for Name, Price, and Yield.

OTHER UK UNIT TRUSTS

Large table listing numerous UK unit trusts including Wellington Fund, Wincor Fund, and many others, with columns for Name, Price, and Yield.

INSURANCES

Table listing various insurance policies and providers, including details on coverages and terms.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cyteline. To obtain your free Unit Trust Code Booklet ring the FT Cyteline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OFFSHORE AND OVERSEAS' and 'GUERNSEY (SIB REDIGISED)'. The table lists numerous trusts such as 'Premier Life Assurance Co Ltd', 'Prudential Life Assurance Co Ltd', and 'Scottish Equitable Life Assurance Co Ltd'.

OFFSHORE AND OVERSEAS

GUERNSEY (SIB REDIGISED)

MANAGEMENT SERVICES

LUXEMBOURG (SIB REDIGISED)

JERSEY (SIB REDIGISED)

SWITZERLAND (SIB REDIGISED)

GUERNSEY (SIB REDIGISED)

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

LONDON SHARE SERVICE

Table of London Share Service listing various funds, including British Funds, Loans, Foreign Bonds & Rails, and American Funds.

Money Market

Table of Money Market Trust Funds listing various trust funds and their details.

Money Market Bank Accounts

Table of Money Market Bank Accounts listing various bank accounts and their details.

LONDON SHARE SERVICE

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-225-2128

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

BUILDING, TIMBER, ROADS - Contd

Table listing Building, Timber, and Roads stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

DRAPERY AND STORES - Contd

Table listing Drapery and Stores stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

ENGINEERING - Contd

Table listing Engineering stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

BANKS, HP & LEASING

Table listing Banks, Hire Purchase, and Leasing stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

ELECTRICALS

Table listing Electrical stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

FOOD, GROCERIES, ETC

Table listing Food, Groceries, and other stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

BANKS, HP & LEASING

Table listing Banks, Hire Purchase, and Leasing stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

CHEMICALS, PLASTICS

Table listing Chemicals and Plastics stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

DRAPERY AND STORES

Table listing Drapery and Stores stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

BEERS, WINES & SPIRITS

Table listing Beers, Wines, and Spirits stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

DRAPERY AND STORES

Table listing Drapery and Stores stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

ENGINEERING

Table listing Engineering stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

HOTELS AND CATERERS

Table listing Hotels and Caterers stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

BUILDING, TIMBER, ROADS

Table listing Building, Timber, and Roads stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

ENGINEERING

Table listing Engineering stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INDUSTRIALS (Misc.) - Contd

Table listing Industrial (Miscellaneous) stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

INSURANCES

Table listing Insurance stocks with columns for Stock, Price, Bid, Offer, and P/E ratio.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-225-2128

LEISURE table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Skyways, British Airways, etc.

PAPER, PRINTING, ADVERTISING - Contd table with columns for Stock, Price, Div, Yield, etc. Includes companies like News International, etc.

TEXTILES - Contd table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Textiles, etc.

TRUSTS, FINANCE, LAND - Contd table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Trustee, etc.

OIL AND GAS - Contd table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Petroleum, etc.

MINES - Contd table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Coal, etc.

MOTORS, AIRCRAFT TRADES table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Leyland, etc.

PROPERTY table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Land, etc.

TRANSPORT table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Airways, etc.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Trustee, etc.

OVERSEAS TRADERS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Overseas Airways, etc.

THIRD MARKET table with columns for Stock, Price, Div, Yield, etc. Includes companies like British American Tobacco, etc.

COMMERCIAL VEHICLES table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Leyland, etc.

COMPONENTS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Leyland, etc.

FINANCE, LAND, etc table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Trustee, etc.

PLANTATIONS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Overseas Airways, etc.

MINES table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Coal, etc.

NOTES table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Trustee, etc.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, Div, Yield, etc. Includes companies like News International, etc.

SHOES AND LEATHER table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Textiles, etc.

SOUTH AFRICANS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Overseas Airways, etc.

OIL AND GAS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Petroleum, etc.

TRADITIONAL OPTIONS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Trustee, etc.

REGIONAL & IRISH STOCKS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Trustee, etc.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, Div, Yield, etc. Includes companies like News International, etc.

TEXTILES table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Textiles, etc.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Trustee, etc.

OVERSEAS TRADERS table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Overseas Airways, etc.

MINES table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Coal, etc.

PROPERTY table with columns for Stock, Price, Div, Yield, etc. Includes companies like British Land, etc.

Stock Exchange dealing classifications are indicated to the right of security names: alpha, beta, gamma. Includes a disclaimer and contact information for FT Cityline.

Royal Brierley
THE FINEST ENGLISH FULL LEAD CRYSTAL

FINANCIAL TIMES

Weekend October 28/October 29 1989

SHEERFRAME
Window & Door Systems
for the World Market
L.B. Plastics Limited
Tel: 0773 852311

Amnesty for jailed East Germans

By David Goodhart in Bonn and Leslie Collitt in Dresden

MR Egon Krenz, the new East German leader, yesterday announced an amnesty for all those currently in prison for attempting to leave the country illegally or for participating, non-violently, in recent demonstrations.

Western diplomats say the amnesty - the first concrete reform of his ten days in office - could lead to the release of several thousand prisoners.

The move, a response to the growing unrest within East Germany, was welcomed by Ms Eberl Bohley, one of the founders of the opposition New Forum group. She described it as "an important first step" and "the first sign of what we have been waiting for."

However, she also stressed that the opposition groups would not be dropping their demands for an independent inquiry into police brutality on October 7 and 8 in East Berlin and for open trials of those still being charged.

Although Mr Krenz is no reformist by background or reputation, his first few days in office have been accompanied by a significant new openness towards opposition groups and more critical reporting in the official media.

Mr Krenz has also promised a relaxation of the current restrictions on travel to the West which is expected to be incorporated into a new travel law before the end of the year.

However, in a significant challenge to Mr Krenz, East German writers belonging to the prestigious FDV organisation called for a total reconstruction of state institutions.

In a letter to the East German leader released by the official news agency ADN, they said a socialist society was unthinkable without a plurality of views.

They warned that East Germany could become a dangerous source of tension in Europe if sweeping reforms were not carried out.

The amnesty, starting on



Krenz: Announced amnesty

November 30, will effectively suspend the law which imposes a maximum sentence of eight years for illegal attempts to leave the country.

All those currently being charged, or due to pay fines, will also have their cases and punishments dropped. In the case of the amnesty for demonstrators, a clear exception is made for those charged with carrying weapons or using violence.

The amnesty may help to attract back a few of the 30,000-plus East Germans who have escaped illegally to West Germany since the beginning of September. According to East German TV more than 60 have returned in the past fortnight and many more would have done so but for "lies" from the West German Inner-German Relations Ministry, which has warned about possible prison sentences.

Krenz in East Berlin adds: East Germany will on November 1 lift a ban on visa-free travel to Czechoslovakia. The ban was imposed earlier this month to stem the exodus of people to the West.

Bae fails in court action to stop strikes

By Michael Smith, Labour Staff

STRIKES to spearhead a campaign for a 35-hour week in manufacturing look certain to go ahead from Monday after British Aerospace was yesterday refused High Court injunctions to prevent stoppages at two of its plants.

Bae is thought unlikely to take up its right to challenge the decision of Mr Justice Schiemann in the Court of Appeal before Monday. However, it may consider suing the unions for damages if the strikes go ahead.

The other company facing an indefinite strike from Monday, said it had no plans to seek injunctions against the unions. "We do not think that legal action will prevent this dispute," it said. It was prepared for talks at plant level on hours reductions.

In the High Court, Bae said the strikes were illegal. It interpreted a rule in the constitution of the Confederation and Shipbuilding and Engineering Unions to mean that any strikes needed a two-thirds majority of voters.

In ballots at seven manufacturing plants owned by Bae, Rolls-Royce and Smiths Industries, the total vote among both white-collar staff and blue-collar workers was 8,805 in favour and 7,578 against.

However, the confederation successfully argued that, although it had co-ordinated the shorter working week campaign, each of the 13 unions which are its affiliates had conducted its own ballot.

At the three sites targeted for strikes - Bae in Chester and Preston and Rolls-Royce in Glasgow - all the unions taking part had achieved the majorities that their rules required. In any case, the confederation said, the unions were prepared to waive the two-thirds majority rule.

Although the judge accepted the confederation's argument, he did grant Bae an injunction to prevent the MSF general technical union from bringing out 218 manual workers at the Bae Preston site.

"This arose because, after last week's ballots, the unions decided to call strikes only among the 6,500 manual workers at the three sites; white collar workers had overwhelmingly rejected strike action."

MSF is predominantly a white collar union but it also has manual workers members. The injunction was granted on the grounds that MSF had not balloted its manual and white collar sections individually.

Crocodile tears for Lawson

THE FINANCIAL TIMES

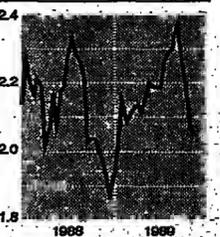
In spite of a 47-point fall in the FT-SE, the equity market was in a curiously good mood yesterday. It was as if the UK's economic problems had been wrapped up with Mr Lawson and bundled out of the door, leaving the market to contemplate the discreet pleasures of devaluation. Base rates will stay at 15 per cent; intervention will be held between DM2.85 and DM2.90; the monetary relaxation implicit in a lower pound will stave off recession; and as exports accelerate the trade deficit will correct itself and sterling will recover, thus leaving Mr Major with all the credit.

It is all too easy to spot the flaws in this. For a start there is Wall Street, which had another downward lurch yesterday. The unpleasant surprise on earnings which the behind Wall Street's weakness could well start to surface in the UK, with Amstrad and ICI the forerunners. And, above all, it is by no means certain that sterling will behave. Its relative steadiness around DM2.90 yesterday did much to soothe equities; but with money market rates stuck at over 15% per cent, it is not clear how long the foreign exchange market will tolerate the refusal to raise base rates.

Since none of this is news to the equity market, it is odd that sentiment should remain so robust. Granted, an institutional cash mountain of \$25bn means that there is little hurry to sell. And while the market makers remain so unwilling to hold stock, there is still the risk that a market bounce will leave buyers behind. But though a rally is doubtless due eventually, it is hard to see what might cause it now. If anything, reasons for nervousness are likely to increase in the coming week.

FT Index fell 42.0 to 1,878.5

Yield ratio



have been disappointing and even in those sectors where bad news was expected, such as motors, the chances of a short-term recovery look slight.

Even the apparently healthy third quarter economic growth figures contained the seeds of bad news. Around one percentage point of the 2.5 per cent increase was due to stock build-up, with much of the rest due to consumer demand artificially inflated by Detroit's discontinued sales of old auto models. Thus the prospects for the fourth-quarter look much less cheerful.

The chances of recession have not yet been discounted by the market. In spite of falling every day this week, Wall Street is still only 7 per cent off its peak. Support for the market comes from the hope of lower interest rates, but the differential with German rates is narrow enough already to suggest that the Fed's scope for easing is limited.

Costa Rica secures \$1bn debt relief deal

By Tim Coone in San José and Peter Riddell in Washington

COSTA RICA has reached an agreement in principle for relief of \$1bn (\$637m) on its \$1.5bn debt with private commercial banks, the first such deal with a country that is in arrears to the banks.

The deal is unusual because it includes a high level of debt relief, and also a capitalisation of past interest payments.

President Oscar Arias made the announcement in welcoming US President George Bush to San José, the Costa Rican capital, yesterday to attend a regional summit of 18 heads of state this weekend.

Mr Arias said: "After many months of difficult negotiations since I took office and began negotiations with the private international banks, we have arrived at an agreement in principle for restructuring the debt. As a result of this agreement we shall reduce our foreign debt by approximately \$1bn."

This represents a very large

reduction in proportion to the total level of debt. According to a senior official at Costa Rica's central bank, the country's debt to the commercial banks is about \$1.5bn, and total foreign debt is \$4.6bn. Costa Rican debt paper is presently being traded at 20 per cent of its face value on the secondary market.

President Arias said that annual interest payments on its commercial debt would be reduced from \$150m to \$50m.

Costa Rica went into arrears on interest payments in 1986 and has been struggling since then to reach a definitive renegotiation of its commercial debt, while continuing to make only partial payments. Interest arrears are now \$30m.

Earlier this year Costa Rica achieved a precedent when the International Monetary Fund allowed it to use up to 25 per cent of a \$50m standby loan to buy back its debt on the secondary market.

The latest deal may set a precedent for the main debtor nations on the American continent - such as Brazil and Argentina - who have run into arrears on interest payments.

Until now debtor nations in arrears have not been considered for favourable treatment under the US Brady Plan for debt relief.

However, a US Treasury official stressed that the large scale of relief reflected both the special conditions in Costa Rica and would not be applicable to big debtors.

President Arias said the agreement would not have been possible without the support of President Bush, Mr Nicholas Brady, the US Treasury Secretary, and Mr David Mulford, the US Treasury undersecretary for International Affairs.

Mr Brady described the deal as an "important support for

'Business as usual'

Continued from Page 1

tributing to Mr Lawson's decision to resign.

The Prime Minister yesterday completed the restructuring of her Government with the announcement that Mr Timothy Renton, a minister of state at the Home Office, had been appointed the Chief Whip in the Commons.

Mr Renton was replaced by Mr David Mellor, who moved from a similar post at the

Department of Health, and his post was filled by Mrs Virginia Bottomley, who was promoted from a junior post at Environment.

Downing Street insisted that the Prime Minister remained in confident mood, the message was that the changes in the three most senior cabinet posts eventually would strengthen its authority.

"We have an excellent new team. It will be business as usual and we shall go steadily forward," Mrs Thatcher said.

Mr Kenneth Baker, the Conservative party chairman, repeated the same point in a succession of media interviews, suggesting that Mr Lawson's departure would remove a damaging source of personal friction.

Mrs Thatcher publicly praised Mr Lawson's role in the Government's past economic successes.

Mr Lawson, who received a series of tributes from Conservative MPs, is understood to have first discussed the possibility of resignation with close friends on Wednesday.

He decided finally to leave after Mrs Thatcher indicated the following day that she would not dismiss Sir Alan Walters

Defeat of inflation

Continued from Page 1

priceless, he said.

"The harsh truth is that if the policy isn't hurting it isn't working... A declining exchange rate pushes up prices so I favour a firm exchange rate," he said.

However, operations by the Bank of England in the money, foreign exchange and gilt-edged markets undermined the Government's determination to hold bank base rates at their current level of 15 per cent and intervene in markets to foster stability.

In London, the pound fell 8 pence to DM2.850, its lowest level against the D-Mark since March 1987, and 3.6 cents to \$1.5765. On the Bank's trade-weighted sterling index the pound ended 1.9 points down at 88.2.

In spite of the sharp fall in the pound, Mr Major appeared confident that it was underpinned by economic fundamentals.

"The budgetary position and the present level of interest rates are such as to keep the foreign exchange rate firm," he said.

Gilt weakened primarily as a result of uncertainty about the sterling exchange rate, which immediately destabilised following Mr Lawson's resignation. Mr Steven Bell, chief economist at Morgan Grenfell, said: "If the pound falls sharply, inflation goes up. The outlook is extraordinarily bearish for gilt."

The Bank was forced to limit the damage and support the falling gilt market as sterling made its fall.

During its repeated currency market intervention, the Bank sold European Currency Units and dollars for pounds. The US Federal Reserve bought sterling in New York on the Bank's behalf.

Traders said that the selling of sterling would have been worse but for the fact that the market was short of the currency prior to Mr Lawson's unexpected resignation.

In an unusual move to demonstrate its determination to hold base rates at the current level of 15 per cent, the Bank offered funds to the money market at 15 per cent. Earlier, the key three months inter-bank money market rates were quoted as high as 15% per cent.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (DM)		PARIS (FFr)	
Aachener Muench	308 - 22	Airbus	674 + 38.6
BMW	516 - 6	Ecco	462 + 18.7
Deutsche Bank	647 - 10	Sat	1805 + 112.4
Douglas Hie	705 - 10.5	Phileas	621
Holzmann (F)	1035 - 30	Primagaz	750 - 64.1
Leifhelt	590 - 30	Scot	50 - 4.5
NEW YORK (\$)		TOKYO (Yen)	
Chrysler	65 1/2 + 1/2	Kirfu Machine	1220 + 170
Lin B'casting	112 1/4 + 4 1/4	Kokura	1520 + 120
Merck	21 3/4 - 1/4	Toyo Rad	1420 + 110
Merrill Lynch	28 - 3/8	Peart	621
Tambrands	28 - 3/8	Odakyu Real Est.	1510 - 150
LONDON (Pence)		Tokai Kisen	1210 - 180
Jaguar	725 + 5	Unozawa-Gumi	1440 - 140
Roller	891 + 6	ICI	
ASIA		Laing (J) A	172 - 16
ASIA	138 - 8	Land Secs	494 - 15
ASIA	220 - 22	Mowlem (J)	514 - 20
Brit Gas	185 - 72	Peart	621 - 13
Brit Telecom	250 - 10	FINC	599 - 27
Cable & Wire	465 - 28	Tarmac	228 - 14
Glaxo	1343 - 6	Tecco	180 - 7
WORLDWIDE WEATHER		Warburg (SG)	402 - 21

STERLING

against the D-Mark (DM per £)

2.98
2.98
2.94
2.92
2.90
2.89

FT-SE 100 INDEX

2200
2160
2120
2080

23 October 1989 27

"Our tactics in the foreign exchange markets are designed to check fluctuations which are of no economic significance."

Gilt weakened primarily as a result of uncertainty about the sterling exchange rate, which immediately destabilised following Mr Lawson's resignation. Mr Steven Bell, chief economist at Morgan Grenfell, said: "If the pound falls sharply, inflation goes up. The outlook is extraordinarily bearish for gilt."

The Bank was forced to limit the damage and support the falling gilt market as sterling made its fall.

During its repeated currency market intervention, the Bank sold European Currency Units and dollars for pounds. The US Federal Reserve bought sterling in New York on the Bank's behalf.

Traders said that the selling of sterling would have been worse but for the fact that the market was short of the currency prior to Mr Lawson's unexpected resignation.

In an unusual move to demonstrate its determination to hold base rates at the current level of 15 per cent, the Bank offered funds to the money market at 15 per cent. Earlier, the key three months inter-bank money market rates were quoted as high as 15% per cent.

WORLDWIDE WEATHER

City	Temp	Wind	Cloud	Temp	Wind	Cloud	Temp	Wind	Cloud
Algeria	18	10	10	Madrid	15	10	Prague	10	10
Amsterdam	14	10	10	Moscow	10	10	Rangoon	28	10
Athens	18	10	10	New York	15	10	Singapore	28	10
Bahra	28	10	10	Osaka	18	10	Taipei	22	10
Bangkok	28	10	10	Paris	15	10	Tokyo	18	10
Berlin	12	10	10	Rome	18	10	Washington	15	10
Bombay	28	10	10	Sao Paulo	22	10	Zurich	12	10
Buenos Aires	22	10	10	Seoul	15	10			
Calcutta	28	10	10	Stockholm	10	10			
Cardiff	12	10	10	Taipei	22	10			
Chicago	15	10	10	Tokyo	18	10			
Copenhagen	12	10	10	Washington	15	10			
Dublin	12	10	10	Zurich	12	10			

BANGKOK 28°C 84°F Sunny

Fly Thai 01-499 9113

Lawson praises Major

Continued from Page 1

Some at Westminster and in the City were better yesterday that Mr Lawson is unlikely to be kicking his heels on the backbenches.

After more than six years as Chancellor he is unlikely to be short of invective boardroom offers. Mr Lawson's pay as Chancellor - £22,637 - would hardly tempt a minor player in the City let alone his new salary, as a humble MP, of £24,107.

But there was no immediate sign that Mr Lawson would give up his seat. "He is collecting his thoughts together," said Mr Graham Smith, his local agent. The former Chancellor had given the Conservative Association thirty minutes' notice of his resignation. Mr Smith had been up all night. "But he has said, whether he is a minister or not, he will always be the Member for Blaby."

Mr Smith added "It is very sad. It is a great loss to the country. It is a great loss to the Government."

Contact between the Old Rectory and the outside world was via the association. Requests for interviews had poured in overnight and were faxed to the uncommunicative Mr Lawson.

Messages of support - too many to count - had helped. By the morning, Mr Lawson "was his usual cheerful, chirpy self. He is just our Nigel," said Mr Smith.

In Blaby, a rural constituency of villages, towns and rambling countryside, Mr Lawson has many friends. His majority at the last election was 22,176.

"I think he has been treated

rotten," said Mrs Kathy Gibby. "He must be feeling absolutely terrible about it."

Elsewhere in the High Street Lawson fans were not hard to find. Mr Harold Straw said: "He is a very reasonable man. It is a great shame. It is Mrs T, isn't it, who dictates to everyone."

Mrs Winifred Gould said he should stand again at the next election - not sink off to a high-paid City job. "It is a pity. He was doing the best of a bad job. I'll vote for him."

Mr Alfred Money added: "I don't think he should have been stabbed in the back. If he is trying to do a job, it takes all his concentration."

At the constituency party headquarters, the portrait of Mr Lawson had been removed from his consulting room - but only to be a prop on live television news.

FIDELITY INTERNATIONAL

GLOBAL INVESTMENT MANAGEMENT AT ITS BEST.

Fidelity is one of the world's leading investment management organisations with a network of strategically placed fund management operations covering the globe.

Single-minded dedication to providing superior investment performance is the foundation of our business. With one of the largest buy-side research teams in the world, the resources we commit to generating sound, original investment ideas are probably unsurpassed in the fund management business.

And, because Fidelity is a privately-owned company, we're better able to invest in the people and systems to excel in the future - a paramount consideration when choosing an investment manager.

It's no wonder companies within the Fidelity Organisation together manage over \$115 billion.

THE VISION TO SEE FURTHER. THE RESOURCES TO LOOK CLOSER.

Fidelity INTERNATIONAL

LONDON BOSTON BERMUDA TOKYO SYDNEY HONG KONG TAIPEI JERSEY LUXEMBOURG

Two olés for democracy

Voters go to the polls tomorrow in the third general election since the death of Franco. Peter Bruce assesses the political state of the nation and concludes the system isn't doing its job

IN CANGAS, a grubby Galician fishing town just above Portugal's northern border with Spain, there is no point asking to see the mayor. Luis Pena is not in his office and no-one seems to know where he is. The town hall has been closed for weeks. The owner of a bar opposite says the mayor does slip into the building now and then, but only if guarded heavily. "He is scared," says the innkeeper. And with good reason.

In May this year, Pena, a socialist, tried to raise the municipal tax in Cangas. The place needs money spent on it. On June 1, the bells of the old Romanesque church opposite the town hall began to ring and the townspeople began to pour into the tiny square between them. They forced their way into the mayor's office and held him hostage there for days. Fighting broke out. The Civil Guard was called. 17 people were hurt.

Pena refused to withdraw his new tax and the town was soon at war. His former wife, Angela Fernandez, already suffering profound depression, also became a target of the hate campaign against the mayor and killed herself with an overdose of barbiturates. When Pena and his children were walking alongside her coffin at the funeral, they were stoned and kicked and beaten. He was put under 24-hour protection by the Civil Guard. When the Pope visited Galicia in August, all the police in the region were called in to protect him and Pena had to leave Cangas. Some people say he has never really come back.

The war with the mayor will become folk-love in Cangas one day. But Pena's fate is more than just another of the tragedies of which Spanish writers are so fond. This is the late-20th century, Spain - arguably, for the first time in its history - is a stable, modern, parliamentary democracy, proof of which should be the general election (the third this decade) being held tomorrow.

Theoretically, the people of Cangas could have gone to court with their grievances, or they could have lobbied the Cortes (Parliament) in Madrid. The fact that they did neither is not surprising. In fact, the death of General Franco, the democratic system is not doing its job. They didn't try because they did not think it would work. The courts are almost criminally slow and the deputies in the Cortes have practically no contact with the people.

The 200 citizens of Tazones, an even tinier fishing village in Asturias, laugh when asked why they did not complain to their MPs about the stranger who, a year ago, planted 50,000 fast-growing eucalyptus trees on the hill that towers over their homes. They feared the trees would rob them of a precious three hours of sunlight when fully-grown. So, they slipped out one night - every one of them and tore out the saplings. When the Civil Guard came the next day to find those responsible, the entire village had the same story: "I was in bed." When the entrepreneur replanted his trees a few months later, the

fishermen tore them out again. "Madrid" asks Jorge, one of the leaders of the raids. "What's the point?" In Vega de Infanzones, a one-horse town near Leon, people began to notice a disgusting smell coming from the Bernesga river that flows through the village. The culprit was a chemicals plant 14 kilometres away operated by Montedison. Last July, the villagers stormed the plant and locked the managing director in his office for a few days. When still nothing was done, they threatened to throw the unfortunate man into the river. They were not joking, and the director knew it. "The river is still awful," says Apolinar Gonzalez, one of the villagers, "but they have promised to spend 2.6bn pesetas (about £13.5m) cleaning it up."

Obviously, people power works - but the question is whether it should still be necessary. Spain is the youngest democracy in Europe. The constitution is 11 years old. Franco's death was greeted almost universally as a deliverance from fear and oppression and the beginning of a new age in which government would, finally, be answerable to Spaniards.

But it does not seem to have worked out that way. Spaniards remain prisoners of an immovable and increasingly corrupt bureaucracy. The Cortes, dominated for the past seven years by a large socialist majority, sees little meaningful debate and has failed signally to be a place to which the people can turn when they need help. The quality of deputies is poor and the lower House is almost always empty. In the absence of debate and even modest opposition, practically anything - local taxes, court rulings, polluted water or unwelcome forests - becomes a focus for near-violent political action.

Alvaro Gil-Robles, the government-appointed national ombudsman, sees it every day. "Things lose their place," he says. "What is bad is that there is no serious or solid parliamentary opposition. Because there is no opposition [to the socialist], neo-political formations like the courts become political." Indeed, it can take years for simple cases to come to court. And although the number of judges has been doubled, the new appointees are inexperienced and, often, incapable. "Spain used to be a simple place and the justice system still reflects this," says Gil-Robles. "But Spain has grown incredibly quickly and there are many more conflicts. The court system has collapsed."

The postal system, too, is seriously flawed: unions estimate that about 12m letters and parcels are missing or undelivered at any one time throughout the nation. The Francoist system, whereby all letters from inside or outside Spain to anywhere in the country had first to pass through Madrid, has still not been modernised fully. And the telephones do not work, at a grave cost to the country's competitiveness. Telefonica, the blue-chip phone monopoly, has a waiting list of more than 800,000, and the fact that people buy its stock is a measure only of the government's determination to protect it from any competition.

Building regulations are probably the source of greatest frustration among Spanish citizens - and of the greatest corruption among a bureaucracy which was, largely, honest and professional under Franco. Whether true or not, it is accepted that a small extra payment can speed up anything from granting a building licence to re-joining the outside of a private home. The consequence of the change in regional policies for the autonomous regions is that the bureaucracy (and its capacity to complicate life) has been multiplied in all 17 of them.

It is the almost complete absence of accountability, the arbitrariness of political and bureaucratic decisions, that infuriates Spaniards. The Cortes has become such a weak institution that the leader of one opposition party, former Prime Minister Adolfo Suarez, refuses to attend unless Prime Minister Felipe Gonzalez is going to be there as well. He feels it is beneath him.

The blame for this lies squarely with Spain's electoral laws, drawn-up in a hurry before the first democratic election in 1977 and unchanged largely since then. After 40 years of dictatorship, the idea was to build strong political parties which probably would be forced to make coalitions in order to govern. The emergence of a dominant political force was to be averted at all costs, and a rigid system of proportional representation was chosen.

What this created was the Socialist Party, a finely-organised behemoth which won overall majorities in 1982 and again in 1986. As it has stamped its authority over Cortes and country, clever Spaniards who might otherwise have entered politics have drifted into business and the serious business of making money. The opposition, particularly the Right, has fallen apart in despair and frustration. "The intellectual quality of the Spanish political class is now very low," the conservative politician says, "and party life is quite dull." Citizens, the present election campaign, practically devoid of issues and drowning in a sea of personal insults and empty promises, he adds: "We have become a Latin American democracy."



failed miserably to increase their share of world trade, or to improve their products, despite the phenomenal economic successes of the past three years. Corporate balance sheets have been re-structured, but the corporations still make the same faceless products they always have. Neither has Gonzalez done much to rid Spain of its old image as a place where merit counts for little. Nepotism - or, at least, the appearance of it - in government is common. The Education Minister's brother used to be the chairman of Telefonica and now runs the national television service. The latter's wife runs a government-funded fashion agency. The Finance Minister's wife works in his ministry. The Foreign Minister's brother is Spain's representative at the World Bank. The Governor of Madrid is the wife of the chairman of the national news agency, Efe. The chief civil servant in the labour ministry is married to the government's chief spokesperson. The Secretary of State for the Treasury is the brother-in-law of the president of the Securities Commission. There is much, much more.

To some extent, the socialists had little option when they came to government but to call on the honest man and obsessed with his job. And nepotism is as old as the hills in Spanish politics. But the government is now losing valuable people to the private sector as the lack of a party card puts paid to their career prospects.

A great many perfectly reasonable Spaniards believe their government is corrupt - unfair on Gonzalez because he is an honest man and obsessed with his job almost to the point of being boring about it. But in a country where rumour, envy and resignation are long traditions, he has done nothing to make the government around him whiter than white. Indeed, the election campaign has centred largely on charges that the socialists have made themselves rich in office. It does not matter that this is not true - it is believed.

According to the opinion polls, the turnout of voters tomorrow probably will fall below 70 per cent for the first time since Franco died. That is still high by any standards, but it is hard to be comforted by the breezy reasoning of Gil-Robles: "The important thing is to be able to vote." It is, however, equally possible that the people no longer feel it is worth voting. Only older Spaniards remember Franco. But there are nearly 2m people in Spain living below the poverty line; and no matter how desperately the government has tried to create the conditions for wealth by building roads and schools, it is not closing the gap between rich and poor.

Gonzalez and the socialists have found it hard to get across the good news - that, yes, the country is an economic success but that modernising a decrepit nation is hard and slow. And, arguably, that is because they have failed to provide the elected, accountable, representatives to convey the message.

There is another little village, near Toledo, called Anchuras, close to which the Ministry of Defence decided to build a bombing range. Once again, the people felt it necessary to get out and fight for themselves. When the army set up tents on the range recently to begin work, the villagers went out in broad daylight to tear them down.

"They summoned me especially to Madrid to tell me what they were going to do," remembers Santiago Martin, the 26-year-old mayor of Anchuras. "They think they can just re-draw the map and forget we exist - but they didn't count on the strength of feeling in this village." Gonzalez, needless to say, has not campaigned near Anchuras this election.

Deputies are nominated to lists by parties, and the people then vote the party ticket. The deputy's chances of election depend on his place on the list. But, once elected, deputies owe their political future to the person who nominated them. In the case of Gonzalez's acerbic deputy, Alfonso Guerra, an old-style party boss in the wheeler-dealer tradition. Once in the Cortes, deputies of all parties keep quiet unless they are ordered to talk. They do not visit their constituents.

Gonzalez himself epitomises the distance between politician and people. He almost never leaves his office in the Moncloa palace in Madrid and his spectacular campaign appearances involve him merely stepping out from behind a stage to speak to the hushed-in multitudes, then disappearing behind it again. The style, common among leaders of the Left and Right, is well-established in Spain.

Latin, perhaps, but Spaniards do not live in a banana republic. Unquestionably, their lives have improved with democracy. They are, arguably, the most liberated people in the world. "The people genuinely feel free," says Francisco Umbral, a celebrated liberal writer and critic of the government. "Felipe has given them what they want. They are free to marry, to divorce,

to have abortions. You can only govern Spain as a social democrat; and because there is only one political system possible, and Gonzalez represents it, debate centres on personalities."

No-one has gone to jail for throwing stones at the mayor of Cangas, or for tearing-up eucalyptus trees, or lacking a factory manager in his office. The press can, and often does, accuse politicians of the most heinous corruption without fear of recrimination. But these freedoms have only made Spaniards more demanding. Gonzalez could well lose his majority tomorrow because he has calculated that, having given the people these personal liberties, they would turn a blind eye to the things he cannot (or will not) change.

The socialists have made scarcely a dent in Spain's traditionally lazy capitalism. The banks still command the heights of the economy. Although they struggle to provide even the most basic services to ordinary people, they have been allowed to remain owners of most of the manufacturing industry still in Spanish hands. But they hold industry in obvious disdain: for most of them, their companies are playthings bought and sold according to the dictates of the mother bank's balance sheet. As a result, Spanish manufacturers have

The Long View

Making good use of a scapegoat

BY RESIGNING so dramatically on Thursday night, under the smoke-screen of a contrived row over the role of Sir Alan Walters, Nigel Lawson might have turned himself neatly from a punchline into a scapegoat. For whatever happens now can be blamed on Lawson and his policies. It is a rare opportunity for the government to undertake some economic dirty work.

That is both the positive promise and the threat now faced by the financial markets. John Major's first task as Lawson's replacement will now be to deliver the Autumn Statement and publish some pretty unpalatable official forecasts. Was this impending dirty party what led his predecessor to seek the exit?

As regular readers will know, my criticisms of Lawson have been consistent over the past two years. A few weeks ago, I ventured to suggest he might be forced into a U-turn. That appears to have been what the Prime Minister wanted as she manoeuvred him into an ever-tighter corner. But he has found a pretext for ducking the challenge.

The tragedy is that he failed to build on his impressive start as Chancellor. Even as a junior Treasury minister, he had masterminded the successful anti-inflationary strategy of the early 1980s. Perhaps his decision to abandon monetarism in 1985 was explicable in terms of the need to win the 1987 election. But his refusal to tighten



BARRY RILEY

Viewed positively, the departure of Nigel Lawson could give the government an excuse to change course. But there are no easy options left

investments? Long-term capital has been flooding out of the UK of late, with British investment institutions spending £2.3bn on foreign equities in the first half of the year. They have also begun to buy foreign bonds in an almost unprecedented way. Meanwhile, net portfolio

investment in the UK by foreigners has been negligible. Instead, Britain is being kept aloof by a flood of title of short-term hot money. Or, at least, it was until this week.

Monetary policy has, therefore, been dictated by the need to attract a flood of ever-more expensive sterling deposits. Broad money growth failed to decelerate after Lawson raised interest rates belatedly in the summer of 1988 and, if anything, has begun to accelerate again recently.

What should investors make of all this? Inevitably, first reactions to a crisis are negative, if only because the risks are increased. But there will be good opportunities, too.

First, we can ignore the routine government protestations that nothing is going to change. Plenty is going to change, and quickly. To start with, we have a *de facto* devaluation of sterling. That is sensible, and will encourage industry to start closing the trade gap. It is traditional good news in the equity market for the exporters and overseas earners. A fall in sterling will also allow interest rates to be brought down.

But this leaves the danger from inflation, which will leap quickly into double figures unless action is taken - and might well do so anyway. The response should take the form of a rise in income taxes to bring about a slump in domestic demand (although, given the extent of the likely squeeze

on companies, it could well be advisable to reduce corporate taxes). Prospects are bleak for domestically-oriented companies, especially those which have grown so fat in the past few years by selling imported goods into the UK market. Liquidators will have the only growth business here.

If early action is not taken to control domestic demand, further crises of confidence will follow. For the securities markets, the yield on long-dated gilt-edged will be the crucial factor. A recession will reduce or eliminate the fiscal surplus which has led to buy-backs and an anomalously low long bond yield. But only a really severe slump could overcome inflationary fears and make gilts look attractive.

Through yield ratio considerations, the long bond return could dampen equities. The equity market is also likely to be hit by a wave of rights issues next year. Still, a portfolio of overseas-orientated blue chips, backed-up by some index-linked gilts, should not do too badly.

So much for economic and financial analysis. There is also the political dimension. If the government had bitten the bullet a year ago, it might have had time to ride a recession before the next general election falls due. Now, the recession will need to be worse and time is running out. The stock market has discounted a lot but, I suspect, not yet a Labour victory in 1992.

CONTENTS

Finances: How to pick a PEP	NI	Books: Plunder on Sampson	XV	Arts: The South-Bank	XX-XXI	Food: Gardening	XX	Stock Markets	II
Diversions: Climbing Everest	XIV	How to Spend It: A Roux kitchen	XVII	Arts: The South-Bank	XX-XXI	How To Spend It	XVI	New York	III
Motorings: The Tokyo show	VIII	Arts: The South-Bank	XX-XXI	Arts: The South-Bank	XX-XXI	Motoring	VII	Texas	IV
						South-Bank	XXI	TV and Radio	IX
						Finance & the family	XX-VI	Wine	XX

GET THE BEST OUT OF PEPs WITH MERCURY

Every saver or investor should consider taking out a Personal Equity Plan. And here are seven good reasons for choosing the Mercury PEP.

- Investment up to the full current £4,800 annual limit
- Monthly Savings or Lump Sum subscriptions
- Full use of the current £2,400 unit trust limit
- Tax-free income option
- Competitive charging structure
- Mercury Asset Management Group is responsible for funds totalling over £30 billion
- Investment strategy kept under review by Mercury's private client team

Remember that the tax treatment of PEPs may be changed by future legislation.

FIND OUT MORE TODAY
For full details of the Mercury PEP, please return the coupon below or call the Mercury Personal Equity Plan Department on 01-280 2888.



To: The PEP Manager, Mercury Rowan Mullens Ltd., FREEPOST, London EC4B 4DQ. Please send me details of the Mercury Personal Equity Plan. Member of IMRO. NO SALESMAN WILL CALL.

Available to UK residents only.

Surname _____
 Initials (Mr., Mrs., Miss, Ms) _____
 Address _____

 Postcode _____

MARKETS

LONDON

Definitely a week to forget

AS THE UK prepares to turn back its clocks tonight, summer seems a long time gone. But many people in the City, as well as in Westminster, must be wishing that time could go into reverse for a few days or weeks, rather than a measly hour. If they only had realised where the path would lead, would they have persisted? For now, that must remain a matter for speculation, but the equity and foreign exchange markets were in no doubt yesterday about the import of Nigel Lawson's resignation as Chancellor of the Exchequer.

Shares and sterling confounded the worst predictions. But the FT-SE 100 lost 47.3, to end only a little above the day's low. The week's 97-point decline left the index at 2082.1, its lowest close for six months. Sterling plunged to just over DM2.68 in London. A firm statement from the Bank of England put paid to wild talk of interest rate increases of 2 percentage points or more, but money market rates persisted stubbornly about half a point

above 15 per cent. The historic political upheaval so dominated the markets that it is tempting to dismiss the rest of the week with the apocryphal "How did you like the play, Mrs Lincoln?" Unfortunately, there was sufficient bad news even before Lawson's departure.

Tuesday brought a two-part test, the first half of which was passed with a sigh of relief. After another morning becalmed in miserable trading volumes, the September current account deficit came in at £1.64bn (compared with August's £2bn figure which sparked the past month's slide in share prices and sterling).

After pausing for breath for several minutes, the market decided that at least it was not bad news by recent standards and shares edged up cautiously. Within hours, however, London's resolve was tried and found wanting by an early 85-point fall on Wall Street. The FT-SE ended the day more than 40 points down, too early to show the benefit of New York's later recovery.

London was also spooked that day by the Confederation of British Industry's report on business confidence. There was very little to ameliorate the gloom on domestic demand, investment intentions, export prospects and the outlook for employment. The only straw to grasp was the belief by many manufacturers that recession might still be avoided.

Imperial Chemical Industries put numbers to those fears on Thursday with third-quarter profits 12 per cent lower than in the 1988 period, leaving the nine-month result only 9 per cent ahead at £1.23bn. Even more worrying than the figures, which the City had expected to be flat in the third quarter, was the breakdown of business. The immediate weakness was in some specialised chemicals, which had been expected to buoy ICI through leaner times for bulk products. Demand for the latter, however, was still holding up well, the company said. ICI lived up to its reputation as a market bellwether. A 78p decline to £10.97 led the FT-SE 100 32.5

points lower on the day. After 10 Downing Street, the Prime Minister's official residence, the best place to have been a fly on the wall this week was the corridors of power at British Airways. After its ignominious but prudent retreat from participation in the United Airlines buy-out, BA was dogged by unfavourable and strongly denied stories of a split between Lord King and Sir Colin Marshall, chairman and chief executive respectively.

BA's plunge into the treacherous waters of US leveraged buy-outs, and its abrupt self-extraction, was a bewildering change of direction. But it could turn out to be less of an embarrassment than many now fear. The superficial question - why is a deal that was good value at \$300 a share no longer worth it at less than \$200? - overlooked two key factors.

The first is that UAL non-executive directors were not likely to recommend any offer much short of the original price. The second is that the defensive aspect of BA's participation - to prevent United from falling into unfriendly hands - now looks much less pressing. If management, employees and BA were having trouble raising the finance, the same applied to Marvin Davis or any other UAL suitors.

The main losers in the whole affair, apart from the underwriters left with 84 per cent of BA's £300m rights issue of convertible bonds, were US arbitrageurs, caught spectacularly by the collapse of UAL's share price. Indeed, many of the rumblings about a King-Marshall split emerged from New York.

But shareholders in LIT Holdings, a financial services company with extensive US operations, will also be disappointed. They will pay for the UAL debacle. LIT said it would report a second-half loss and pass its final dividend because it had allowed three traders for whom it acted as clearing agent to

FINANCE & THE FAMILY: THIS WEEK

Getting the best from personal equity plans

Choosing a personal equity plan is far from easy since nearly 200 are now available with a bewildering variety of charges. Many dismayed investors have found already that the charges incurred have more than exceeded the value of government tax concessions to encourage wider share ownership. John Edwards discusses the problems on Page III.

Broker bonds live again

The Securities and Investment Board's proposed death sentence on broker bonds - investment funds managed by intermediaries on behalf of their clients - was lifted this week after a hostile reaction from the industry. Eric Short examines the SIB's change of heart. Page III.

Expatriates fail to panic

Most expatriate investors seem to have avoided any tendency to panic and sell their holdings after the latest wobble in world stock markets. It is all a very different story from October 1987, as Peter Gardlan explains. Page V.

Don't lose your shirt . . .

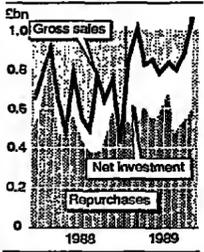
Why take the risk of losing your shirt overnight in shares when you can earn a real rate of return above inflation without taking any chances? That's a question to interest most investors; John Edwards addresses it on Page VI.

Minding Your Own Business

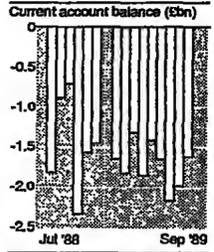
Roy Hodson finds that nursing and residential care homes have become popular as small business opportunities, and that 63 per cent of people starting them are first-timers who have never owned a business before. He also meets a couple who once were penniless students but now own two nursing homes and have a third on the way - along with a very healthy bank balance. Page VII.

■ BRIEFCASE: Treasury stock escapes CGT - Page VII

Unit trusts



UK trade deficit



Unit trust sales soar through £1bn mark again

Unit trust sales in September passed through the £1bn mark for the first time since the October 1987 crash, reaching £1,070m, while net new investment rose to £504m. However, September's figures owe much to institutional buying. The much-wooded private investor is still wary of returning to unit trusts and the volatile markets are not likely to encourage him back, especially after this month's mini-crash. But the signs are that investors generally did not panic this time when the stock market fell and that redemptions, while above average, did not go through the roof: investors are still steady buyers of units. - Eric Short

Current account deficit down

The UK current account deficit fell to £1.64bn in September from £2.01bn in August, according to official figures released this week. This means that the deficit for the full year is expected to be about £21bn. Britain's exports and imports reached record levels in September, the lowest monthly current account deficit since May. - Sara Webb

New service for savers

Willis Owen, the independent financial adviser, has started a new service for savers offering advice on where to obtain the best rates and the levels of risk to be expected from various forms of savings schemes. Partners Jeff Willis and John Owen started a service called the Building Society Shop five years ago, offering mortgage advice (for which they charge) and free information about which building societies offer the best interest rates for savers. They also offer advice on pensions and life assurance through their Pension Shop. Details available from Willis Owen, City House, Maid Marian Way, Nottingham NG1 6BH. - Sara Webb

Bristol tops its competitors

The new Vantage Bond from Bristol and West Building Society this week offers 11.8 per cent net (15.73 per cent gross), the best interest rate available from a "top 10" society. The rate has a guaranteed differential over the society's share account of 4.35 per cent. Minimum investment is £5,000 and the Vantage Bond will run until November 1, 1990, when interest will be credited and the funds transferred to a Bristol and West No 1 Capital account. Withdrawals will not be allowed before November 1, 1990, and notice of withdrawal can be given from August 2, 1990. The offer will be available for a limited period only. - David Barchard

Midland increases rates

Midland Bank is raising the interest rates on all its personal savings accounts from Monday. Rates will range from the 11 per cent net paid on its Premier savings account (now 10.50 per cent) to 5.25 per cent on the deposit account (now 4.50 per cent). The High Interest Deposit Bond will pay a maximum of 11.25 per cent net (now 11 per cent) from October 31. Multi-service current account rates are also being increased, from November 6. Orchard will pay up to 8 per cent net (now 7.5 per cent), Vector 8 per cent (now 7 per cent) and Meridian up to 9.5 per cent (now 8 per cent). - David Barchard

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1988 High	1989 Low	
FT-SE 100 Index	2082.1	-47.0	2428.0	1782.8	Political, economic uncertainties
British Gas	185	-13	213 1/2	156 1/2	Competition from Shell/Eso Coates
Cadbury Schweppes	328	-34	495	319	Loss of Aust. Pepsi-Cola franchise
Coates Bros	437	+173	483	213	Bid approach from Orion
Health (CE)	488	+25	500	418	Hopes of increased income premiums
ICI	1086	-98	1382	1012	Poor 3rd quarter figures
Kwik-Fit	168	+27	174	100	Stakebuilding by Continental
LWT	198	-21	237	157	Reaction to restructuring plans
McCarthy & Stone	74	-31	407	88	Interest rate fears hit builders
Polly Peck int.	330	+27	381 1/2	214	Ahead of traded options dealing
Praxair	83	-13	141	81	Disappointing profits, results
RTZ Corp.	481	-34	590	404	US slowdown fears
Rank Organisation	804	-98	1069	721	Cineplex buyout/US slowdown fears
Ross Catherall	244	+83	245	143	Agreed bid from Vickers
Steel Burhill Jones	257	+28	259	209	Firm insurance brokers

WALL STREET

Profits take a pounding

EVERY NOW and then, the United States needs Lee Iacocca to tell it the way it is. On Thursday, the Chrysler chairman performed this valuable service by painting an extremely grim picture of conditions in the US automobile business.

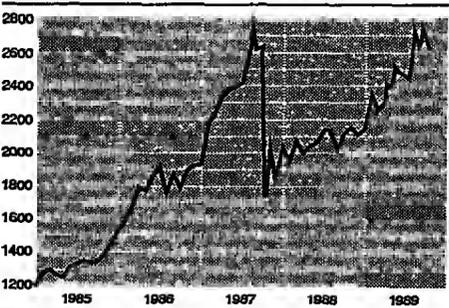
The stock market thought it knew all about Detroit. As Japanese manufacturers have gained market share, the Big Three have cut production and offered huge discounts on new cars, amounting to more than \$1,000 apiece for many models. Wall Street was prepared for all three to lose money in their North American businesses; that is why Chrysler was valued in the market at just five times its last year's profits.

The Big Three duly reported dismal results, although all managed to stay in the black thanks to overseas earnings, diversified businesses or (in Chrysler's case) a capital gain. But what Iacocca said was that there was no end to this profit squeeze in sight. "We expect these extreme cost pressures to continue into the fourth quarter and beyond," he declared. And although he did not say it, there is no certainty that sales incentives will not be needed in the fourth quarter - even further cuts in production. Chrysler stock, which was \$35 a month ago, is now \$22.

Iacocca is not the only businessman telling Wall Street it should not take profits for granted. On Wednesday, Anheuser-Busch, the largest US brewer, horrified the stock market by declaring a full-scale price war in the beer business. American Airlines, the largest in the US, said its profits fell 9 per cent in the third quarter despite soaring revenues. Norfolk Southern, a railway company, said its earnings fell 16 per cent.

There was worse. Bethlehem Steel said its profits halved. The department store business

Dow Jones Industrial Averages



of Sears, the biggest retailer, was off 25 per cent. International Business Machines, the most valuable company in the stock market, had profits 30 per cent lower. All the main oil companies were down except Texaco. So were the commodity chemicals companies.

Suddenly, the profitability of US corporations is in serious question. Profit margins are under pressure from every side: weak demand, rising cost of materials, more expensive labour.

Wall Street has not minded much about the profits slowdown up to now. There were more things to support stock prices than internal cash flows - most thrillingly, a take-over market financed by junk bonds and syndicated bank loans.

There was worse. Bethlehem Steel said its profits halved. The department store business

these markets are in retreat. According to one estimate, the mutual funds that fed the public's thirst for high yield by investing their money in junk bonds saw a net outflow of no less than 5 per cent of their total assets in the week to October 20.

Savings and loan institutions, those other mainstays of the junk bond market, have also been losing their appetite. They have been forced by Congress to sell their junk within five years, which means (under US accounting convention) that they carry the bonds at market value. One thrift, Columbia Savings & Loan, reported a loss on its junk bonds of no less than \$367.7m last week. The company's stock has gone from \$10 to \$4 1/2 in two months.

Against this sort of background, it is no surprise that the stock market fell every day last week. But perhaps the worst news came not from corporate America but from the government. On Thursday, the Commerce Department made a preliminary estimate for economic growth in the third quarter of 2.5 per cent. This sounded pretty good, especially as it was largely non-inflationary growth: the so-called implicit and fixed-weight deflators rose only 2.9 per cent, which was just half the rates of the second quarter and nice numbers by any standard. It looked an ideal "soft landing" for the economy, with growth and inflation slowing from unsustainable levels but no recession.

Bundled up in the figures was something much less attractive. The quarter saw a big build-up in inventories amounting to \$11.1bn (including farm products), which meant that real demand (known in the figures as real final sales) rose only 1.4 per cent. For manufacturing industry, this mixture of weak demand and modest price rises looks like a recipe for stagnant or falling profits.

The big question, of course, is whether the inventory build-up will force cutbacks in manufacturing that will eventually trigger a downturn in the economy. On Wall Street, a few bears are already saying that it is too late to get the economy going again, even with interest-rate cuts. They are saying that the Federal Reserve carried far too long about inflation when it should have worried about the other thing, Recession.

James Buchan

encourage greater dealing before the official listing, further adding to the volume of grey market trading. Ultimately, there are only two answers. The first is to make grey markets illegal - something the authorities do not seem minded to do, in part because one effect would be to drive share dealing offshore to financial centres where fewer controls exist.

The second, preferable answer is to reduce the time between the closing date for an issue and the beginning of official dealing, so eradicating the need for a grey market in the first place. In Eurodisney's case, the last date for applications was October 20 - a full 17 days before formal dealing begins.

Handling a large issue obviously takes time, with the need to hold a ballot, print share certificates and allow time for postage. But it is vital for private shareholders to reduce the chance of grey markets emerging - something the City should bear in mind as the next big privatisations loom.

PRIVATE shareholders were presented with a new and disturbing innovation last week: an official market in a company's shares being set in motion before the shares to be traded on it were issued.

If, as seems likely, this is not the last development of its kind, private shareholders could find themselves regularly at a disadvantage to institutions in the important early days of a new issue.

The shares involved were those in Euro Disneyland. Thanks largely to the enduring popularity of a certain mouse, these shares have attracted the sort of private shareholder interest restricted normally to privatisation issues and Abbey National.

In the UK, 171,000 applications were received in a heavily oversubscribed issue. More than £300m was chasing just \$67m worth of shares.

Officially, dealing in Eurodisney was to have begun on November 6, with the London, Paris and Brussels stock exchanges all making a market. In effect, that date was

Richard Waters on a disturbing innovation for private shareholders

A grey area that needs watching

brought forward suddenly last week.

In London, the Stock Exchange sanctioned dealing from Monday, while the Paris Bourse followed on Thursday. This gave the "grey" market in the shares (a market which springs up off-exchange before official dealing begins).

This presents prospective shareholders with a dilemma. How can you sell your shares (if that is your intention) before you even know if they have been allocated to you?

For institutions, dealing in a grey market (whether recognised officially or not) is relatively simple. They have relationships with brokers who are happy to accept their orders before the shares are issued, knowing the institution concerned will meet its commitments.

The same is not always true for private shareholders. Brokers are unlikely to sell shares on behalf of someone before they are issued unless they know the person very well and are confident he will pay up if he doesn't get any shares and has to buy them in the market at a loss later on.

Michael Burnett, dealing partner at Blackpool-based broker James Brearley, says his firm is prepared to deal with people it knows and trusts - but only if it has had confirmation from its bank that the cheque which accompanied its Eurodisney application has been cleared.

Even then, he says, clients have to accept the risk if the firm turns out to have sold shares they do not own.

This is of more than academic interest. As expected, Eurodisney shares, issued at

707p, opened immediately at a premium, reaching almost 900p although they fell back to around 800p at the end of the week.

For anyone planning to sell, it would obviously have been most advantageous to do so as soon as possible.

For their part, the stock exchanges argue that they had little option but to sanction early trading in companies like Eurodisney before the formal dealing date. A large "grey" market had sprung up. It was better to recognise this market officially, bringing it within the ambit of the stock market regulators, than allow it to flourish unregulated.

This argument has held sway here. Dealing in Smith-Eline, Beecham, the pharmaceuticals group, was allowed before the official dealing date. But the Eurodisney issue

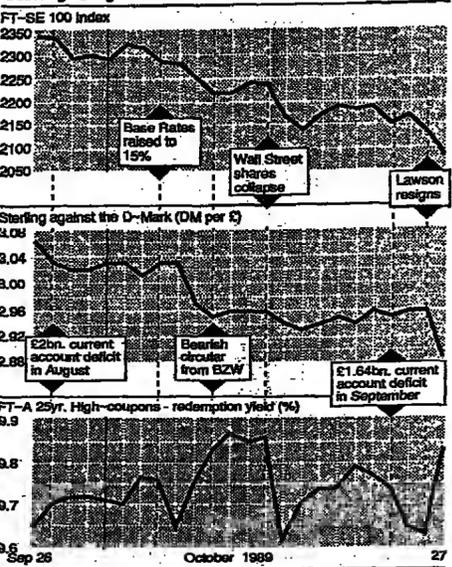
breaks new ground because, for the first time, a large number of private shareholders are being introduced to the official grey market. The signs are that they do not know what to make of it.

According to Geoffrey Taylor, managing director of Burnley-based broker Charlton Brett & Boughey: "It leaves them in an absolute quandary. They don't know what the heck a grey market is, and they don't know what they can and can't do."

Despite this, Taylor and other brokers agree that it is better to have an official grey market than an unofficial one. At least people can then buy shares as soon as they want to and (subject to the limitations described above) have an opportunity to sell them.

Ironically, though, authorising such a market is likely to

Thirty days that shook the markets



hold their uncovered short positions in UAL over the traumatic October 13-16 weekend.

Christopher Castelman, only five weeks into his new job as LIT's chief executive, said the company's credit control rules had been broken, announced a management review, and promised a more selective policy in future. LIT shares lost a total of 37p on Thursday and Friday to close at 53p.

The Monopolies and Mergers Commission cleared Coats Vytella to resume its courtship of fellow textile group Tootal - provided Coats sold its UK thread interests and its 28 per cent stake in Gittermann, the Swiss-West German company which ranks second in the UK thread market.

Nothing has changed in the four months since referral to make the proposed union any less attractive. But it remains to be seen, in these uncertain markets, whether Tootal can underwrite a cash alternative equal to the 233p (worth a total of £395m) formerly on the table. Tootal closed at 118p on Friday, compared with the previous 143 1/2p value of Coats' previous paper-and-cash terms.

Morgan Grenfell, architect of many hostile bids in the last year, found itself on the receiving end of similar speculation on Thursday when Willis Faber, the insurance broker, agreed to sell its 30.4 per cent stake to France's Banque Indosuez. If the two-stage deal passes all hurdles, Indosuez will end up with 24.8 per cent of Morgan Grenfell. The UK merchant bank was not pleased, since talks with Indosuez had broken down earlier this year. Indosuez said it wanted to create a European partnership and did not plan at present to make a full offer.

Magnet, briefly Britain's largest management buy-out before Gateway came along, sought a financial restructuring only five months after completing the controversial £650m takeover of its convertible and preference shares were suspended as it entered talks with its bank creditors. Clay Harris

JUNIOR MARKETS

So it's farewell to the USM

WANTING FOR the dust to settle has become an increasingly tedious activity for investors in small companies. No sooner had the junior markets started to see the light after the savage mark-down of 12 days ago than they were plunged once more into confusion by Chancellor Lawson's departure. Now, they are bracing themselves for an announcement next week which is expected to unveil far-reaching changes to them.

Before yesterday's Unlisted Securities Market was showing a reasonable recovery, having risen by 6.4 per cent since the collapse on Monday, October 16, this made its fall over the past two weeks some 4.9 per cent. By comparison, the FT-A All-Share index had fallen by 3.8 per cent in that period but had made little headway since Tuesday, October 17. But even these gyrations have been overshadowed by the impending announcement of a merger between the USM and Third Market, and the creation of a new second tier.

This is not a decision the exchange has taken lightly. The USM is seen as a striking success in helping the development of small companies, and the prospect of its abolition has raised the hackles of several brokers, accountants and companies. However, the exchange seems to have had little choice. A new directive from the European Community requires any EC stock exchange to accept a company if the listing particulars have been accepted by a stock exchange in any other member state. This means that the main market has had to reduce its minimum trading record requirement from five to three years. This, in turn, removes much of the rationale of the USM, which already requires a three-year trading record.

The solution adopted by the exchange seems likely to be a new market requiring a two-year trading record. This would accommodate all the companies on the USM but would leave some companies on the Third Market in a curious position. The third market insists on a mere one-year trading record and also accommodates start-up ventures with no record at all. Presumably, the rules will have to be bent to allow very young companies already on the Third Market to join the new second-tier market.

This question must be preoccupying those involved with the newest recruit to the market. Automobiles of Distinction, a start-up venture that will trade and restore classic cars, this week announced its debut onto the Third Market. It seems quite possible that Automobiles will be the last start-up venture to join the Third Market. However, the company might also be interesting for several reasons.

For one thing, it is raising \$4.8m - one of the largest sums ever on the Third Market (in May, Analysis Corporation, a financial information service, raised \$5.5m). For another, its business is bound to excite interest among aficionados of classic cars (the term "classic" is applied to about 10 per cent of those over 10 years old). Examples of these cars with specialist appeal might include the Aston Martin DB5 (valued at \$78,000) or the Austin Healey 3000 (valued at \$27,000).

In recent years, there has been a rapid increase in the value of classic cars, thanks largely to growing interest reflected by the expanding membership of the Veteran Car Club of Great Britain and the Vintage Sports Car Club. There has also been upward pressure on prices as cars have increasingly been seen as assets in which to invest rather than objects to be collected.

Automobiles of Distinction intends to get involved initially in the market by buying and selling certain limited-edition classic cars. In this, it expects to exploit the contacts of board members, whose credentials include an enthusiasm for classic cars in addition to a string of directorships of quoted companies. Most notably, Richard Falmer, the non-executive chairman, is managing director of Western Motor Holdings, a quoted motor group.

Another intriguing newcomer to the junior markets this week is Bexbull Developments which has been introduced onto the USM by Henry Cooke Lumsden. It is involved in the somewhat unfashionable areas of property investment and trading, albeit in the relatively robust region of the north-west.

Bexbull's emergence on the market could be welcomed by two groups of investors. It will provide an exit route for shareholders who invested under the Business Expansion Scheme, and also for the relatively few people who bought shares when it was traded on the over-the-counter market.

Many BES investors must be hoping that their companies follow Bexbull's example. Relatively few BES companies have joined the market so far and, without a quote, investors have little chance of cashing in their shares. But that, as with other new issues, will largely depend on the accessibility and credibility of the new second tier.

Vanessa Houlder

FINANCE & THE FAMILY

John Edwards tells you how how to pick a PEP without getting in a pickle

A bewildering array of plans

CHOOSING A Personal Equity Plan (PEP) is far from easy. There are nearly 200 different plans available, with a bewildering variety of charges and very few performance track records.

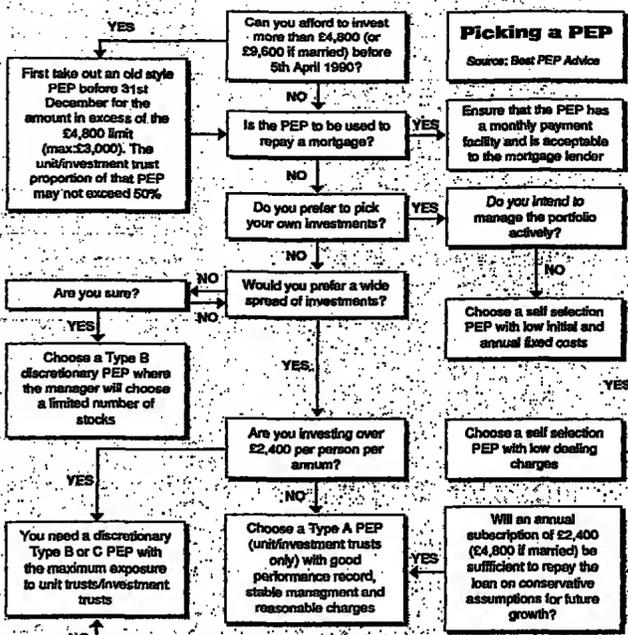
Many investors taking out share PEPs have already found, to their dismay, that the charges incurred have more than exceeded the value of government tax concessions to encourage wider share ownership.

So a way of assessing more precisely what you are buying is urgently needed. John Spiers, a former London stockbroker, says there was a similar problem when Business Expansion Schemes, also offering tax concessions, were launched. He tried to tackle it by helping to found BEST Investment, a magazine service that analyses the different schemes introduced.

Now he has turned his attention to PEPs with the launch on Monday of Best PEP Advice, which provides basic analysis of the existing schemes and is updated every month.

Comparing PEPs is not an easy task. There are so many different factors to take into account, and in many cases there is large element of individual investor choice. Further confusion is added by the variation in methods of charging.

Fundamentally, however, there are two main varieties of PEPs. One is where the manager makes the choice of shares, and that includes investment and unit trust only PEPs. The second is a self-select PEP where you make your own choice. For the first



trust PEPs is 92.8 per cent of the original investment, compared with 91.0 per cent for shares-only PEPs.

There are considerable fluctuations from that average. As the accompanying table shows, Lloyds Bank is the lowest charging manager with an IRV of 97.3 per cent, while stockbroker Greg Middleton has the highest charges with an IRV of 88.0 per cent.

Performance must, of course, be taken into account (Lloyds Bank unit trusts, for example, have a poor track record, although that does not necessarily mean a poor PEP fund). The figures, however, add weight to the view that the experienced investor, in particular, should stick with a unit trust PEP where the charges and performance record can more easily be ascertained.

For self-select PEPs, where you choose your own shares, the gauge used to measure charges is based on the costs incurred during the first year for three different types of investor: passive, average and active. An assumption is made that the report and accounts on two holdings are supplied since most managers make additional (sometimes extortionate) charges for providing them. Not taken into account is that several self-select PEPs offer a restricted choice of shares and, significantly, these type of plans are the four best-value PEPs listed. As can be seen, there is a wide gap between the best Midland Bank and the worst, Nelson Milnes.

Best PEP Advice is aimed primarily at financial advisers and the serious private investor. It costs £25 a year, but there is a first-year introductory offer of £99.

variety, it is useful to know not only the charges involved, but also the performance record of the manager choosing the stocks on your behalf.

To help assess the performance track record, Spiers has sought the help of Microplan in providing details of unit trust groups over one-, three- and five-year periods. This gives the basic information for a special section reviewing the individual managers and their plans.

However, this information is confined to unit trusts, and there is very little data available to assess the performance of stockbroking firms or how bigger investment houses deal with being restricted to only a few shares.

Spiers believes that unless you have specific knowledge or experience with a particular fund manager, it is probably wisest for discretionary direct share PEPs to stick to an index-tracker fund with the most reasonable charges.

Charges are easier to assess, although even here there are problems. For example, it is cheapest to buy one share (and this might be the best policy for someone with a big separate portfolio) but the risk of going into one share is considerable, especially for first-time investors.

Nevertheless, to provide a fairly good comparison of charges, Spiers has used two different methods for the self-select and discretionary PEPs.

For discretionary funds, the measure used is defined as the Immediate Realisation Value (IRV). This shows what you would get if you cashed your (new-style) PEP immediately, after all charges, including all transaction costs, have been deducted.

Surprisingly, it shows that almost inevitably direct share purchases PEPs are more expensive than a unit trust investment even though the unit trust charging structure allows for a 3 per cent commission

payment to intermediaries. The explanation is that direct share schemes usually pay brokerage of at least 1.5 per cent, plus stamp duty and closure charges, while unit trusts benefit from low institutional rates of around 0.5 per cent. As a result, the average IRV on unit

Death sentence lifted

Eric Short on broker bonds



the regulator's task is to find ways of accommodating this while seeking to ensure that advisers are properly discharging their obligation to give best advice."

It is an important concession. Walker has stated, in no uncertain terms, that SIB cannot ban a particular investment product simply because it is finding it difficult to regulate.

Had SIB pursued its original proposals, the UK life assurance industry could have found itself on the slippery slope to a European style control system where any new product has to be approved by the central authorities, with the consequence that product innovation is inhibited.

Nevertheless, Walker is far from satisfied that the existing controls on broker bonds are adequate to ensure that clients are not abused. He hopes that SIB will put forward firmer proposals for further discussion before the end of the year.

Even those defending their retention accepted that there were things wrong and put forward constructive proposals on how broker bonds should be regulated.

In essence these were:

- Much clearer definitions of broker bonds and more explicit promotional literature, including making very clear the precise relationship between the adviser, the investor and the life company.
- Clearer charging structures, with detailed explanations to clients.
- More information on the investment aspects of broker bonds, including past performance details.
- Regular investment reports, including details of switches and monitoring of performance against a variety of criteria.
- Closer scrutiny of the expertise of the person/firm handling the investment aspects of broker bonds.

These proposals, from the practitioners, give SIB several leads for establishing a viable system for regulation of broker bonds.

bonds because of the personal service provided by the adviser compared with the impersonality of an amorphous life-company-managed fund.

But, above all, it accused SIB of going far beyond its regulatory powers in effectively banning broker bonds.

David Walker evidently took on board the seriousness of this last accusation.

The most important statement as far as the UK life assurance industry was concerned, in what was a very interesting and wide-ranging speech, was his reassurance that "it is not SIB's objective, nor would it be a proper part of the regulator's role, to ban a particular product on the basis that the client's need that is being met is unclear or uncertain."

He went on to add: "If clients reveal their preference for broker bonds, as many have done,

MIM BRITANNIA TAXHAVEN FROM THE PEP EXPERTS

There's still time to invest before 31st December.

(But only just!)

A unique tax loophole allows you to invest up to £7,800 for tax free profits. (£15,600 for couples).

In 1989 only, the Chancellor will allow you TWO SHARE PEPs (Personal Equity Plans) up to a combined total of £7,800 (£15,600 for couples). So, after 31st December the maximum you can invest in tax year 1989/90 will be slashed dramatically...

1. From £7,800 down to £4,800 for individuals.
2. From £15,600 down to £9,600 for couples.

Quick. Discover TAXHAVEN now - because 31st December is the closing date set by the taxman for an unrepeatably tax free opportunity.

TAXHAVEN

CALL US FREE on 0800 010 333
9.00am - 6.00pm weekdays.
9.00am - 1.00pm weekends.

IT'S EASY TO TAKE FULL ADVANTAGE WITH TAXHAVEN

- * TAXHAVEN is a share PEP which invests directly into UK shares for COMPLETELY TAX FREE INVESTMENT PROFITS.
- * FREE of Income Tax.
- * FREE of Capital Gains Tax - even for higher rate taxpayers.
- * But you have Penalty Free access to your cash - any time.

You can invest from just £1,000, but why not take the maximum before it's too late?

SELL YOUR EXISTING SHARE OR UNIT TRUST HOLDINGS, FREE

You don't have to be an existing holder of UK shares or unit trusts to benefit but if you are, we can arrange the sale of any readily marketable holdings for you, investing the proceeds into TAXHAVEN. And we'll absorb ALL your dealing costs. MIM Ltd is a member of IMRO.



ONLY 8 WEEKS TO GO!

INVEST WITH THE PEP EXPERTS

MIM Britannia are market leaders in PEPs. Last year we topped the Daily Telegraph's 1988 PEP League Table with our Special Situations PEP via MIM Limited, our investment management company which manages TAXHAVEN.

Of course, past performance is no guarantee of future success. You should remember that share prices can fluctuate, and investors may not get back the amount they have invested.

DON'T MISS OUT!

This opportunity ends on 31st December. It will not be extended. So hurry. Speak to your financial adviser, or complete and return the coupon below, or call us FREE on 0800 010 333.

TAXHAVEN FREE The TAXHAVEN Information Pack - Send for yours today!

To: MIM LIMITED, 11 DEVONSHIRE SQUARE, FREEPOST, LONDON EC2B 2TT.

Please send me details of the TAX FREE BENEFITS I can get with TAXHAVEN.

I understand that my enquiry places me under no obligation and no salesman will call.

NAME _____ ADDRESS _____ POSTCODE _____ POST TODAY. NO STAMP NEEDED. MIM BRITANNIA

LOW CHARGING MANAGERS

Plan name	IRV
Lloyds Bank	97.2
Bank of Scotland	96.1
Nat West	95.6
Cerical Medical	95.3
Allied Provident	95.0
Midland Bank	95.0
Yorkshire Bank	95.0
I.A. Prichard	94.8
Capel-Cure Myers	94.8
Guinness Mahon	94.7

HIGH CHARGING MANAGERS

Plan name	IRV
Greg Middleton	88.0
CS Buckmaster & Moore	86.5
Nelson Milnes	86.5
Dominion Intl	80.1
Philip J. Milton	80.1
James Brearley	80.1
Private Capital	80.1
Duncan Lawrie	80.7
Sheppard's	80.3
Broker Financial Services	80.8

BEST VALUE SELF-SELECT PEPs

Plan name	First year charges %		
	Passive	Average	Active
Midland Bank Select*	2.1	2.4	2.9
Lloyds Bank Choice*	2.2	2.6	3.0
Brown Shipley Trust*	2.3	4.0	6.3
Yorkshire Bank*	3.3	5.7	8.0
Fleming & Co	2.9	6.7	9.5
Walker, Crisp	3.4	5.9	8.4
BarclaysIstara	3.9	6.0	8.9
Wise Spoke	4.8	6.1	7.9
Bank of Scotland	3.8	6.4	8.8
P.H. Pope & Son	3.6	8.4	10.2
Quilter Goodison	4.4	6.5	8.2
Rodmyna Bentley	4.1	6.7	10.1

WORST VALUE SELF-SELECT PEPs

Plan name	First year charges %		
	Passive	Average	Active
Nelson Milnes	12.0	14.2	17.1
Brian Taylor Perky*	9.8	12.8	18.4
Philip J. Milton	9.5	12.1	15.5
I.A. Prichard	8.4	11.0	14.5
Broker Fin. Services	8.8	10.8	13.8
Pointon York	8.9	10.8	12.9
Sheppard's	7.8	10.3	14.0
Reyker Securities	7.5	10.3	14.1
Cobbold Roach	7.1	10.3	14.5
Fleming Inv Trusts	7.1	10.8	14.5
Stock Group	7.3	10.1	14.1
OCF Foster Braithwaite	7.1	9.7	13.1

* Restricted investment choice

New Increased Interest Rates

From 1st November 1989 the rates of interest payable on Portman Wessex investment accounts will be increased. The new rates will be as follows:

	Net % Annual Interest	Gross Equivalent % (at 25% tax)
FIXED RATE BOND	11.25	15.00
PREMIUM-PLUS SHARES		
Balance £50,000+	11.00 (10.50)	14.67 (14.00)
Balance £20,000+	10.25 (9.75)	13.67 (13.00)
Balance £5,000+	9.75	13.00
Balance £1+		
FLEXI-PLUS SHARES		
Balance £20,000+	10.25 (9.75)	13.67 (13.00)
Balance £5,000+	9.75 (9.25)	13.00 (12.33)
Balance £500+	9.25	12.33
Balance £1+	6.75	9.00
YOUNG GENERATION CLUB	9.00	12.00
REGULAR SAVINGS SHARES	8.75	11.67
ORDINARY SHARES	6.75	9.00
COMPANIES ACCOUNT	9.94	13.25
INTERNATIONAL & CHARITIES ACCOUNTS	paid gross	14.00
CURRENT ACCOUNT		
Balance £500+	7.25	9.67
Balance £1+	5.75	7.67
WESSEX ORDINARY SHARES AND PORTMAN SPECIAL ACCOUNT (Building Accounts only)	10.27	13.69

Monthly income rates in brackets where applicable. † Interest paid half-yearly. The rates of interest on other current and discontinued investment accounts (except existing Fixed Rate Bonds and certain monthly income accounts) will be increased by 0.75% from 1st November 1989. Full details of our complete investment range may be obtained from any Portman Wessex branch or by completing the coupon and sending to: Administration Centre, Richmond Hill, FREEPOST, Bournemouth, BH2 6TB or telephone (0202) 292444

Please send me details of the Portman Wessex Investment Range

Name _____ Address _____ Post Code _____



A member of the Building Societies Association. Assets exceed £920 million.

FINANCE & THE FAMILY



Lord Raynor of M&S Peter Davis of Reed

The Week Ahead US question over Marks

MARKS & SPENCER will set the tone for the entire retail sector when it reports interim results on Tuesday.

The UK performance is likely to show that M&S has done better than its rivals in the difficult trading conditions this summer.

While analysts have respect for Low's profit record, there is concern that a regional food retailer could be squeezed by the leading supermarket groups.

The answer to the first will be gleaned mostly from a close look at the Travel Information Group.

The US-based business bought for £400m from Rupert Murdoch in May. The second answer will provide pointers to the state of advertising revenue to which Reed, headed by Peter Davis, is exposed in business and consumer publishing.

Industries, a US maker of soil and compost shredders, will be in for the full six months for the first time and European sales should also have increased strongly.

Table with columns: Company, Announcement date, Dividend (p) Last year, Final, This year. Includes sections for FINAL DIVIDENDS and INTERIM DIVIDENDS.

*Dividends are shown net pence per share and are adjusted for any intervening scrip issues. South African cents. Dividend for period from 25/10/89 to 31/10/89. 2nd interim dividend.

Table with columns: Company bid for, Value of bid per share, Market price, Bidder. Includes sections for TAKE-OVER BIDS AND MERGERS and COMPANIES NEWS SUMMARY.

ACCOUNTANCY The Financial Times proposes to publish a Survey on the above on 28TH NOVEMBER 1989. For a full editorial synopsis and advertisement details, please contact: WENDY ALEXANDER on 01-873 3524 or write to her at: Number One, Southwark Bridge London SE1 9HL.

Relax at the end of a demanding day in the knowledge that when you take the weight off your feet, Globe is still working hard to get the best possible return on your savings. Globe's Share Investment Scheme is an easy cost effective method of investing, designed to take the strain and worry out of finding the right investment. Globe spreads the risk by investing in a wide range of carefully selected international companies. Its performance speaks for itself. £1,000 invested five years ago has grown to £2,790 by 30 Sept 1989. Globe is the largest investment trust in the world, with assets worth over £2.1 billion. Through Globe's Share Investment Scheme you can join this successful team and benefit from all its advantages. "I've worked hard for my money, now my savings have to work hard for me." SCHEME BENEFITS: INVEST AS LITTLE AS £25, REGULAR SAVINGS PLAN, LUMP SUM INVESTMENT, SHARE EXCHANGE FACILITY, DIVIDEND INVESTMENT, COMMISSION ONLY 25p PER £100. INTERIM RESULTS TO 30 SEPTEMBER 1989: Interim Dividend 1.79p - up 10.9%, Net Assets Per Share 229.85p - up 11.7%, (FT Actuaries All-Share Index - up 6.69%). For details post this coupon to: Anne Rogers, FREEPOST, Globe Management Limited, Globe House, 4 Temple Place, London WC2R 3ER. Name: Address: Postcode: GLOBE INVESTMENT TRUST P.L.C. This advertisement has been issued by Globe Management Limited, a member of IMRO.

Sara Webb finds plenty of uncertainty among the financial gurus

CHANCELLOR Nigel Lawson's resignation on Thursday will have left many people wondering what the future holds for their own personal finances.

In the City, there is plenty of uncertainty over what action John Major, the new Chancellor, will take and if investor confidence in the market will be restored. One problem for the gurus is that Major is an unknown quantity.

He has been dubbed "Thatcher's poodle" - but does this mean that Thatcher's economic views will become more important, and that her views on non-intervention in the market will prevail?

Simon Knapp, UK economist at BZW, says: "It is unfair to call Major a poodle, but he's unlikely to stand up to Thatcher in the way that Lawson did and will probably be relying much more on his advisers. Thatcher won't want the pound to fall too far."

However, the uncertainty has not gone away. This could well be the lull before the storm, depending on how international investors react now. This is the first time that political risk has entered the market for five or six years. If they let the pound fall and inflation rises, then the risk increases of there being a long drawn-out period of decay which will frighten overseas investors.

"A lot of the speculative element has come out of sterling in the last two months: the key

question is how institutional investors overseas view the UK as a place for securities. They were not likely to react immediately, so we think over the next couple of weeks whether they pull out of equities and bonds."

John Whitehead, strategist at Robert Fleming, says the crisis has not been averted. Lawson's departure "has not put off our uncertainty regarding exchange rate policy. Major is not very experienced - we need to see some confidence-building measures. The government faces a stark choice between inevitable devaluation of the currency, and high inter-

est rates plus recession. Neither choice is at all palatable, but we think they will push up interest rates, probably next week."

Ian Harwood, director of equities at Waring, believes the pound could hold next week. "My guess is that Major will probably get the benefit of the doubt, given his Treasury experience, but we don't know whether he will be (Thatcher's) poodle - nobody knows what the relation between Thatcher and Major will be."

However, if sterling weakens, we can't rule out a rise in interest rates. "But Richard Hamah, of UBS Phillips and Drew, disagrees. He says "Our guess is that they will try to prop up the pound without using the interest rate weapon. Obviously, Thatcher will drive economic policy more with Major than with Lawson."

Richard Dingwall-Smith, UK economist at County NatWest Wood Mac, says: "Thatcher may in principle like markets to determine their own level, but in practice she won't let the market fall sharply - there is greater uncertainty over exchange rate policy and whether the government has lost its credibility. The less stature the Chancellor has, the harder it will be for him to stand up to Thatcher. "I don't think the political uncertainty and lack of confidence from overseas will go

away, so there is every chance that sterling will come under pressure again and that the Bank of England will intervene to support it. Maybe sterling will be allowed to edge down a bit."

While Thatcher might worry about the political cost of raising interest rates and, therefore, of hurting her home-owning electorate, what will it mean for investors? Mike Payne, director of investment strategy at Legal & General, says: "Gilt is a very lumpy market and I wouldn't recommend them unless there is a recession. Cash is looking attractive, and equities will

probably look attractive soon once they have come down further, although the stock market could drift sideways for a few more weeks."

"If they want to help the trade balance and exports, they should allow the pound to go down steadily. But this would be inflationary. I think they'll try to muddle through with soft talk. If they are looking for some change in direction, they could allow the pound to go down further."

Knapp says he can't envisage any significant change in policy over interest rates being used to protect sterling. "If base rates go to 17 per cent it

means a recession, and a recession is good for bonds: we'd probably see a switch from equities to gilts, and cash and money market funds are offering quite reasonable deposit rates as well as being risk-free. Risks have gone up considerably in the equity and gilt markets."

Dingwall-Smith believes that while interest rates won't necessarily go up in the short term, they will stay high. "The money market will follow this pressure on sterling and, if the pressure comes back on sterling, there is a danger money market rates will drift up. It might be better for bonds if there was a decisive move to raise the base rate rather than letting the currency drift and then suddenly panicking."

"Cash is extremely attractive now" says Whitehead. "The gilt market will probably be choppy while there is concern over the government's determination to fight inflation."

If sterling is allowed to fall, one possibility is that this could help short-term corporate profits - but would this give a boost to the stock market?

Knapp believes that Thatcher "won't want the pound to fall too far. It would be good for corporate profits, and help the export side, but would mean the inflationary problem would take longer to solve - ie, there would be a risk long-term that inflation would not come down in time for the next election. It is difficult to see the stock market going any higher - if the pound weakens next week, and rates go up, we're virtually assured of a recession and it will hit confidence so badly."

Meanwhile, Hamah advises against "those companies with high exposure to interest rates through being highly geared or vulnerable to recession - for example, companies in the building materials, construction, mechanical engineering, chemicals and property sectors. Go for groups with earnings overseas," he suggests.

TRUSTWAY 2% cash discount on unit trusts! TEL 01-490 1253 TRUSTWAY offers valuable savings on purchases of unit trusts, including new issues. You select and we do the rest! Units are registered in your name with full documentation. Minimum investment £2,000. (Ask about our discounted 12% service too). For details, return the coupon below, see us on stand 402 at the Money Show or telephone 01-490 1253 (lines open all weekend). to: City Asset Management Plc, FREEPOST, London EC2B 1RU. Name: Address: Postcode: (Member of IMRO) FT

NEW TAX LEGISLATION HOW MUCH COULD YOU SAVE? COUPLE: HUSBAND: Management consultant, 45 yrs old, WIFE: Part time accountant. UNCLAIMED: Dividends, bank and building society interest. £58,800. Total tax liability from April 85: £7,471. POTENTIAL TAX SAVINGS following Burns-Anderson's Best Advice Strategy: £872. COUPLES: HUSBAND: Physician, 70 years old, WIFE: Physician, 60 years old. UNCLAIMED: State and occupational pensions, building society interest. £14,120. Total tax liability from April 85: £2,459. POTENTIAL TAX SAVINGS following Burns-Anderson's Best Advice Strategy: £1,182. COUPLE: HUSBAND: Retail sector manager, 60 years old, WIFE: Non-working pensioner. UNCLAIMED: Pensions, investment and dividends income. £28,820. Total tax liability from April 85: £18,271. POTENTIAL TAX SAVINGS following Burns-Anderson's Best Advice Strategy: £3,984. From next April, husbands and wives will be taxed independently. Which means that by simply reorganizing your income, savings and investments you could make substantial savings on the tax you pay. Burns-Anderson have published a free guide explaining the new tax changes and illustrating how independent financial advice can bring you significant financial advantages. Act now to ensure you don't pay too much tax from next April. Return the coupon to obtain a free copy of Burns-Anderson's "Independent Income - A Practical Guide for Investors" and for details of your nearest member of the Burns-Anderson Independent Network PLC, the nationwide chain of truly independent financial advisers, or phone 0800 373710. Please send me my FREE copy of Burns-Anderson's "Independent Income - A Practical Guide for Investors". Please put me in touch with my nearest financial adviser. Name: Address: Postcode: The Burns-Anderson Independent Network PLC, 27 Great George Street, Bristol BS1 3QT. BURNS-ANDERSON BEST ADVICE

PRELIMINARY RESULTS Table with columns: Company, Year, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Includes companies like Allied London, Astra Investment, Barbican Holdings, Barrett Henry, Caslet, CDFC Trust, Cooper Frederick, Ensign Trust, Kalamazoo, Klark-Teknik, Lowland Inv. Co., Lucas Industries, MacKeechie, Nat. Home Loans, Overseas Inv. Trst, Pegasus Group, Pict Petroleum, Pressac Holdings, Prestwick Hedge, Regina Health, Trave Group, Scottish Metro, Shandwick, SP8 Concessions, Stakis Holdings, Tr Australia Inv, Wolesey.

INTERIM STATEMENTS Table with columns: Company, Half-year, Pre-tax profit (£000), Interim dividends per share (p). Includes companies like Airflow Streamline, Amerosec Energy, Atlantic Resources, Automotive Products, Bealox, BMS, Borland Int'l, Bourne Int'l, Br. & Amer. Film, Brown N Group, Cambrey Trust, Daily Telegraph, Eastern Produce, Effort 5, English & Int'l Tr, FR Group, Globe Investment Tr, Hamersson Property, Ingham George & Co, Jacob W&R, Janus, Kierfield, Lend Lease Holdings, Midland & Scott, Res, Mearns Resources, Moss Bros, North Sea Assets, Planefield, Polymark Int'l, Ross Cathedral, Shiloh, Sobelby's Holdings, Swanshead, Upton & Southern, Usher-Walker, Value & Income Trust, West Holdings, Westoverbank, Xtra-Vision.

(Figures in parentheses are for the corresponding period). Dividends are shown net pence per share, except where otherwise indicated. L = loss; N = nil income; US = dollars & cents; F = figures for 9 months; Irish pence & pence; Net figures for 3 months; Revenue before tax; * Third quarter figures.

MOTOR CAR ADVERTISING appears every Saturday in the WEEKEND FT. REACH THE RIGHT READERS by advertising now. Telephone RICHARD HUGGINS 01-873 3236/01-407 5635 or JONATHAN STANTON 01-873 3643/01-407 5739

ROTHSCHILD'S INTERNATIONAL MONEY FUNDS Invest in currencies - an excellent alternative to a deposit account. Current annual returns* on the Major Currencies are: US\$ 8.1% £ 14.6% YEN 5.4% DM 7.2% SwFr 6.7% ECU 9.8%. You may acquire and switch between 18 currencies at wholesale foreign exchange rates. To obtain information including terms and conditions of investment in the Funds - Old Court International Reserves Limited and Old Court Currency Fund Limited - please complete the coupon below or telephone 01-634 2837 during office hours. To: Investment Marketing Department, N M Rothschild Asset Management Ltd, Five Arrows House, St. Swinburn's Lane, London EC4N 8NR. Name: Address: ADR 002 *The Old Court Money Funds are Gateway AI authorized and UK Recognized Collective Investment Schemes. *These figures are for Old Court International Reserves Ltd, as at 27th October 1989. The returns are averages and not the return of your investment will fluctuate in line with international interest rate movements.

FINANCE & THE FAMILY

EXPATRIATES

Offshore investors avoid the frenzy

SCANT THOUGH the available evidence is, there is little to support the view that expatriate private investors were panicked into a wave of distressed selling by the sudden plunge in the New York Stock Exchange on "Grey Friday" earlier this month.

It seems that expatriates followed the lead of their stay-at-home compatriots on the basis that they had seen it all before, only two years ago, and certainly weren't going to be blown off course this time round.

Peter Pearson Lund, managing director of the Gartmores "Grey Friday" Gartmores recorded more than 1,000 switches in its existing Capital Strategy umbrella, which boasts a total of \$276m of funds under management. Gartmores estimates that about half the total number of switching instructions came from expatriate investors, and that the majority were for a switch from equity into cash funds.

Pearson Lund's advice is to stay with a broad range of equity markets but keep a small percentage in cash. "Don't scurry out," is his message. And, above all, do not make any decisions on the basis of fear and panic.

Fidelity Investment Services says that private investors were more relaxed this time round and seem to be accepting that, while stock markets are becoming increasingly volatile, there is no need for the long-term investor to panic.

That said, there was a mid-flight into cash at Fidelity, measured at a level three times that of redemptions.

Fidelity's Jersey office, largely used by expatriates, experienced less activity than the company's onshore offices.



Management, confirms there was no panic among expatriate investors. Royds regards this as a reflection of the fact that the offshore investor is not so much in touch with the market and approaches investment on a genuine long-term basis. This is undoubtedly the case for some, but this remoteness from the market could mean many expatriates are just staying away.

Cunnington and Associates, a London-based research company, has just completed a survey of investment habits among British expatriates on the Spanish Coast - Brava, Blanca and del Sol.

Michael Cunningham says British expatriates in Spain feel they are too remote to invest in shares. The same goes for equity fund investment: only 10 per cent of those questioned in the survey had money in unit trusts or offshore funds. The expatriates' favourite home for money is a bank deposit account. Few use the services of a financial adviser, but base their financial decisions on informal discussions with friends.

Cunnington says the results surprise him because expatriates living in Spain are generally not short of the time necessary to plan their financial affairs properly.

Last year, his company carried out a comparable exercise among working British expatriates in the Middle East. It seems the savings habits of retired expatriates in Spain bear a marked similarity to their working counterparts in the Gulf, who also favour deposit accounts rather than risk investments.

It looks like a case of missed opportunities. Theo ago, maybe expatriates prefer not to be caught up in the frenzy of stock market gyrations.

Peter Gartland

In Peter Gartland is Editor of The International, the FT's magazine for expatriates.

Mark St Giles, chairman of the educational charity, the Money Management Council, and former chairman of Fimbria, reviews "Personal Finance, The A-Z of investment and money management, by John Edwards, personal finance editor of the FT."

AS PERSONAL wealth increases, individuals will need to be better informed about their own financial affairs. This is reinforced by the Government's desire to make people more responsible for their own finances.

The increase in home ownership has brought with it a rapidly widening choice of types of mortgage and of methods of repaying them. Personal pensions are being enthusiastically received, as the sales figures show. Inheritance tax, previously the province of the wealthy, are now likely to be received by anyone whose parents have owned a house.

Privatisation has greatly increased the number of shareholders who, as the saying goes, will need a large post box and a larger waste paper basket.

Speaking personally

All this has emphasised the need for the new owners of wealth to find ways of taking the right decisions about its administration and maintenance. The British public is ill-equipped to do this properly. Neither the education system nor personal experience has prepared people for the complex and interlocking series of decisions that they will have to make.

There is no apparent shortage of advice: life companies, building societies, banks, unit trust managers, stockbrokers and many independent financial advisers all promote the merits of their products and services. The coverage of personal finance has increased in the media, and there are many good books on all aspects of savings and investment.

Despite this, confusion reigns in the minds of most of the recipients of the barrage of promotional material, advertisements and articles. Language, as is so often the case,



is a barrier to understanding and most people, when they are confronted with the jargon of any discipline so effortlessly deployed by the pundits, are unwilling to demonstrate their ignorance.

fill. It is a glossary of terms commonly used in the financial world, with simple explanations of the meaning of the words and the significance of the concepts they describe.

It will certainly be of great assistance to anyone who wants to take an intelligent interest in their own financial affairs. People working in the City and on business pages of the press may also find it useful. The former group would include not only individuals interested in managing their own money, but also professionals and businessmen who find the language of finance somewhat arcane. Also, new entrants to the financial industries who wish to master the secret signs of their trade quickly will find the book helpful.

It would, for instance, enable those fortunate enough to have qualities in high demand to differentiate between golden handcuffs, golden handshakes and golden parachutes.

although the author seems to suggest by omission that the golden halo has passed into the mythology of the Big Bang era. But the new world of regulation is well covered with explanations of the multitudinous acronyms like FIMBRA and LAUTRO that it has spawned; as are the technical terms in current use in banking, trade finance, life assurance and pensions.

There is also a useful list of addresses of regulators, trade associations and other relevant bodies for those who want to know more or register complaints.

It is inevitable that technical terms are used for reasons of precision and because of the law's requirement. This book will make the jungle less dense and I will be glad to have a copy of my bookshelf to consult on the many occasions when I succeed in confusing even myself.

*Published this week by Grafton Books; price £12.95 hardback, £7.95 paperback.

Eric Short on an estate agency's financial move

GA spreads its wings

PEOPLE WHO have bought or sold their houses through General Accident Property Services are to receive letters from the estate agency office asking if they are interested in discussing their financial affairs with a GA financial expert.

GA Life, the life assurance and financial services arm of General Accident Group, this week announced the formation of a direct sales force of some 200 trained people to market the full range of its financial services through its estate agency network.

GA has always seen its estate agency operation as a source of life, pensions and unit trust business, as well as contracts connected with house deals - mortgage protection and low cost endowments.

It has trained the staff of its 600-odd estate agency branches to market these mortgage-related products in accordance with the requirements of the financial services regulations, the estate agency being a lead agent of GA Life.

However, GA Life has taken the view that marketing the full range of its financial ser-

VICES is a full-time task which cannot be undertaken by staff whose expertise is in buying and selling houses.

The new sales force will not be an extension of GA Life's existing tied agency force, but a marketing force under the company's direct control, remunerated by basic salary plus commission.

Many other life companies, from the home service companies, such as the Prudential and the Pearl, to Equitable Life have direct sales forces, but the GA Life staff will not call on people at home - at least not at first.

They will operate in co-operation with, and through, the estate agency network.

The client list built up by the estate agency network forms a useful customer base. GA Property Services, even in these depressed times, is handling 120,000 house deals a year and its clients will be contacted by letter once the dust has settled on their house transactions.

Clients who respond positively to the initial approach will be invited to meet a salesman, either at the estate agency office, where there are

already interview rooms, or at the client's home.

Many will see this move as yet another infringement on their private lives, although GA Life is doing no more than many banks and building societies in promoting its financial services through contacting existing customers.

Nevertheless, Peter Hales, UK sales manager at GA Life, admits that no specific research had been made into client attitudes to receiving yet more junk mail.

Meanwhile, GA Life has told independent financial advisers that its new development will not mean its support to individual financial advisers will be diluted. They still provide more than half GA Life's business.

Hales sees the development as bringing expert financial service advice to an audience which would otherwise not have access to it. However, independent advisers may well take the view that GA Life is indeed setting up a rival marketing organisation, particularly if the company contacts their clients.

Money advice

THE 1989 Money Show starts next week at the Grand Hall, Olympia, London.

This year there will be several special interest centres offering help and advice on topics such as green and ethical investments, investment trusts, unit trusts, futures, options, retirement planning, pensions, business start-up finance, Personal Equity Plans (PEPs), and alternative investments such as fine arts and antiques.

Sharelink, the "no-frills" dealing service for small investors, will be offering to sell privatisation shares on the spot, with a minimum commission rate of £12 plus VAT.

Each afternoon, the Stock Exchange is running a programme of free talks on the following subjects: the gilt-edged and fixed interest market; the Stock Exchange real-time price information system; the Stock Exchange and the private investor; inside the UK equity market, and options.

The Money Show runs from Thursday November 2 to Sunday November 5 at Olympia. Entrance is free.

Sara Webb

Commendation for the FT

THE Financial Times received a special commendation in the 1989 Bradford & Bingley Personal Finance Media Awards this week for its "impressive work on the 1989 Budget."

The Daily Telegraph won the Personal Finance National Newspaper of the Year award, while Margaret Hughes, Personal Finance Editor of the Guardian, won the Personal Finance Journalist of the Year prize.

Godfrey Lister, chief executive of Bradford & Bingley Building Society who chaired the panel of judges this year, used the occasion to call for

the government to give more assistance to first-time home buyers.

He said the Chancellor should "provide much needed assistance to the country's young housebuyers and increase mortgage tax relief for these people" at the next Budget.

"The current £30,000 ceiling is simply inadequate for those without any equity to release from their first home" he said. "I believe the Chancellor should raise the ceiling."

Sara Webb

Heather Farnbrough cheers good communicators

Plaudits for Lazard

BUSINESS Expansion Scheme fund managers have earned something of a reputation for being uncommunicative. So four gold stars for the managers of Lazard Development Capital Funds (LDCL), whose communication record is exceptional by BES industry standards.

On Tuesday, some 500 shareholders passed through the airport style security barriers at the Queen Elizabeth II Conference Centre in Westminster, London, to be told all about the performance of Lazard's 11 funds.

This is the third time Lazard has taken over the QELI hall, and LDCL chairman Douglas Hudson reports that it's worth it for investors' feedback. His impression is that "investors are more concerned with investment matters generally, such as rights issues and early realisations, the issue of capital gains tax payable on disposals and so on, than specific company performance."

But all in all, Lazard's early funds have not done too badly, particularly in terms of survival rates. Of the first fund, launched in the 1983-4 tax year, nine out of 11 companies have survived.

"One, Resort Hotels, has been listed on the Embarked Securities Market and realisations have been agreed for five others. This compares well with the majority of their early competitors, as BES investment was undoubtedly trickier and riskier in the early days.

Unfortunately, the first fund's present valuation is only 17 per cent above cost value. This reflects problems with Blue Ridge Care, a nappy manufacturer, which has been hit by intensive competition, both in price terms and by the popular new ranges of bleach free "green" supplies. The extent to which one company can affect the fortunes of the whole fund is alarming.

As Colin Watts, a businessman and shareholder in some of Lazard's other funds, said: "If I'd bought the first fund, I'd have been pretty annoyed at a 17 per cent return over the last five years. I like the idea of investing in young companies, but there is less incentive to invest in BES than there was five years ago because of the drop in the tax rate. I don't like assured tenancies much and I'm beginning to wonder whether the best way to invest in BES companies isn't by getting together with other investors

and finding your own company."

Nevertheless LDCL has done a good job with communications, and the Portfolio review is considerably more fortnightly than the average sponsors' newsletter. On the whole, shareholders seemed impressed by the conference, and were enjoying the stands of 20 or so Lazard companies, ranging from healthcare products to Pled Piper toys, which was doing a roaring trade in "educational toys" presents for children.

Lazard is understandably anxious to try hard; the amount of money its funds raised in the 1988-9 tax year fell to £5.1m from £13.5m in the 1987-8 tax year, although the 1988-9 year was a bumper year for the industry as a whole, which raised £354m. Lazard lost out because it did not offer closed company schemes or a regional choice of property investments, which proved highly popular elsewhere.

This year looks discouraging for the industry as a whole, too. In the six months to October, only £10.8m had been raised under BES compared with more than £106m by December last year. The majority of schemes which closed in October have been left undersubscribed.

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 25% 40%	Frequency of payment	Tax (see note)	Amount invested £	Withdrawal (days)
CLEARING BANK						
Deposit account	4.50	4.50	3.68	monthly	1	0-7
High interest cheque	6.50	6.70	3.36	monthly	1	500-4,999
High interest cheque	6.20	6.20	2.54	monthly	1	5,000-9,999
High interest cheque	6.40	6.70	6.68	monthly	1	10,000-49,999
High interest cheque	6.20	6.20	7.38	monthly	1	50,000
BUILDING SOCIETY						
Ordinary share	6.00	6.00	4.87	half-yearly	1	1-250,000
High interest access	8.00	8.00	8.40	yearly	1	500
High interest access	8.25	8.25	6.60	yearly	1	2,000
High interest access	8.75	8.75	7.00	yearly	1	5,000
High interest access	6.00	6.00	7.20	yearly	1	10,000
High interest access	8.00	8.20	7.55	half yearly	1	500-9,999
90-day	9.45	9.67	7.74	half yearly	1	10,000-24,999
90-day	10.00	10.25	6.20	half yearly	1	25,000
NATIONAL SAVINGS						
Investment account	10.75	6.05	6.45	yearly	2	5-100,000
Income bonds	11.50	6.09	7.28	monthly	2	2,000-100,000
Capital bonds	12.00	8.00	7.20	yearly	2	100 min
34th issue	7.50	7.50	7.50	not applica	3	25-1,000
Yearly plan	7.50	7.50	7.50	not applica	3	20-200/month
General extension	5.01	6.01	6.01	not applica	3	-
MONEY MARKET ACCOUNT						
Schroder Wagg	10.86	11.42	9.14	monthly	1	2,500
Provincial Bank	11.05	11.59	6.27	monthly	1	1,000
UK GOVERNMENT STOCKS						
3pc Treasury 1981	12.85	10.22	8.98	half yearly	4	-
3pc Treasury 1982	11.82	9.72	8.45	half yearly	4	-
10.25pc Exchequer 1985	10.94	8.33	6.77	half yearly	4	-
3pc Treasury 1980	11.65	10.50	10.45	half yearly	4	-
3pc Treasury 1982	6.88	6.03	6.83	half yearly	4	-
Index-linked 2pc1982/85	9.40	8.88	8.57	half yearly	24	-

*Lloyds Bank: 1/2% tax 90-day, immediate access for balances over £5,000.† Special facility for extra £10,000. ‡Source: Phillips & Drew. †Assumes 5.5 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

Tax free investment



Perpetual 1989/90 Personal Equity Plan

Investment in British companies (through shares, a unit trust or both) with a Personal Equity Plan:-

- to accumulate a tax free fund
- to generate tax free income
- for protection from taxation of income and capital gains
- with low charges, simple administration and a full, flexible range of options

The Perpetual Personal Equity Plan

The Plan can accommodate unit trust investment or direct investment into shares, managed or personally selected, or a combination of all three.

Invest from as little as £500 up to the maximum allowed under 1989/90 PEP rules - £4,800 for shares, or a combination of shares and unit trusts (but not more than £2,400 in unit trusts).

Investing in a Unit Trust

The Perpetual PEP Growth and Income Fund is a new unit trust, launched on 30th September 1989 specifically to cater for the requirements of the PEP investor with subscription by lump sum(s) or monthly payments from £20 monthly.

A 3% discount for all PEP investments into the Fund provides investors with a winning combination of low charges and Perpetual investment skills.

* Personal Equity Plans are free from Income Tax, at the basic and higher rates, and Capital Gains Tax. However, the annual managers' charges are liable to Value Added Tax. Investors should also be aware that tax assumptions may be subject to statutory change.



Investing Directly into Shares

Planholders investing directly in shares can delegate investment responsibility to Perpetual and/or make their own selections.

In either case, shares will be selected from a list of 'Designated Investments' of at least 20 major UK companies to which significant new Government privatisations will be added from time to time.

Send today for full details of the Perpetual 1989/90 Personal Equity Plan. Simply complete and return the coupon below.

To: Perpetual Portfolio Management Limited, 48 Hart Street, Henley-on-Thames, Oxon RG9 2AZ. Tel: (0491) 576868.

Please send me details of the Perpetual 1989/90 Personal Equity Plan

SURNAME (Mr/Ms/Ms)
ADDRESS

POSTCODE

Perpetual Independent Fund Management

FINANCE & THE FAMILY

No tax on Treasury stock

MY GRANDMOTHER died in 1961, leaving an estate valued at around £10,000. Two properties were left in trust, one for my mother and the other for my aunt for their life-times. On their deaths, the one my mother occupied was to pass to my sister, and the one occupied by my aunt was to pass to me.

In 1983, my aunt had a stroke and, eventually, was moved to a nursing home. She was no longer able to administer her affairs, so a Court of Protection order was made. The property was sold and the capital invested to provide my aunt with some income from the interest.

My aunt was the last surviving trustee of my grandmother's will settlement but because she was no longer capable of acting in this capacity, her daughter and I were appointed trustees of the settlement in September 1984, with a trust deed being completed formally. The proceeds from the sale of the property, £37,000, were invested in 5 per cent Treasury stock 1985/89.

My aunt died on April 6, 1989, and I instructed the solicitors dealing with her affairs to allow the stock to run to maturity in October, rather than selling and passing the money over to me as remainderman of my grandmother's estate.

As the stock is in the names of my cousin and I, as trustees, I wish to know if I will be liable for capital gains tax as the remainderman, or will I be entitled to the full amount of £37,000, as I understand that government stock is not normally subject to capital gains tax.

We are glad to say that there will be no CGT liability upon the redemption of the Treasury stock, by virtue of section 67 of the Capital Gains Tax Act 1979 (as rewritten by section 59 of the Finance Act 1986).

Permit is needed

ON LOOKING through the deeds to our house, we have found an action sheet, dated 1871, that describes one of our timber-framed out-buildings as a cottage. On inspection, you can see clearly that the interior walls and ceilings were constructed of lathes and plaster, which indicates a high degree of finish not normally

Q&A

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

affordable to outbuildings. Would we be within our rights to renovate this building into a dwelling house, or would we have to apply for local planning permission to do so?

You would still need to apply for and obtain planning permission if the outbuilding ceased to be a cottage before 1983.

Drama over a musical

I HAVE regular profits' distributions from a long-running West End musical in which I have a modest investment. During this financial year, I have lost an entire investment in a provincial tour of a musical revival. I want to offset the loss on the latter against the profits from the former for tax purposes. It is my understanding that the regulations on this were amended about four or five years ago to permit such action at a time when the West End was in the doldrums.

Unfortunately, you forgot to tell us whether your income from the long-running show is being assessed under case III (on the preceding-year basis) or case VI (on the current-year basis). It does, at least, seem clear that it is not being assessed under case I (on a slightly different preceding-year basis).

If you are a case VI angel, you have no problem. Your case VI loss on the flop is deductible from your case VI income from the hit (and from any other case VI income) by virtue of section 392 of the Income and Corporation Taxes Act 1988. All you have to do is submit a formal claim for your case VI loss to be offset in accordance with section 392.

On the other hand, if you are a case III angel you face a

dilemma: 1. If you leave things as they are, the loss on the flop will be calculated according to the rules of capital gains tax and will be deductible only from chargeable gains.

2. If you ask to switch from case III to case VI (in accordance with the minister's written answer of March 1, 1983, column 101), your tax inspector will probably seek to re-assess you under case VI rules for the past five years, which might produce an extra income tax bill depending upon the relevant figures for the past seven years.

Exemption will stand

MY SON has spent two years in the Far East as export manager for a British group. While away, he has left his house in England (furnished), expecting to return. He has no mortgage. His employers are now bringing him home nine months before he needs him to take over management of an all-India business in Wales. He has to buy a house there and cannot sell the house in England until next year, due to the tenancy. There are two questions:

1. To gain CGT exemption over his period abroad, he should re-occupy the house on his return. He cannot now do so. Has the Revenue inspector discretion to allow the exemption, nevertheless, subject to confirmation of the circumstances by the employer?

2. He wishes to take a loan on the house, to help finance a new one and to set against the letting income. At this stage, a new "main dwelling" mortgage on the existing house would not be allowable against main income. But would a new business loan be allowable against the letting business income?

1. If you ask your (or your son's) tax office for the free booklet of extra-statutory concessions, IR1(1986), you will see from concession 104 that the answer is YES. "This condition will be treated as satisfied where, after a period of absence falling within section 103(3)(b) ... an individual is unable to resume residence in his previous home because in the terms of his employment require him to work else-

where." 2. The answer is NO (although we are not sure what you mean by "a new business loan" in this context). You could ask the tax office also for the free booklet on the tax treatment of interest paid, IR11, from which you will see that the assumption in the second sentence of the preamble to question 2 is not necessarily correct.

CGT on valuables

IN THE summer of 1988 I sold silver, jewellery and sovereigns. These were all purchased in the early 1970s. All articles were of a personal or domestic nature. Do they attract capital gains tax? The sovereigns are exempt from CGT (by virtue of section 19(1)(b) of the Capital Gains Tax Act 1979) unless they were minted before 1837. But the silver and jewellery are liable to CGT, except for any items (or sets of pieces) sold for a price below £3,001 (by virtue of section 128 of the CGT Act 1979, as amended by section 81 of the Finance Act 1982).

It will be necessary for each item (or set) which fetched more than £3,000 to be valued as at March 31, 1982 - market value, that is, not value for insurance purposes (which is generally replacement value). The cost of ascertaining the March 31, 1982, value of each item (or set) should be deductible in calculating the chargeable gain.

For example, suppose the inland Revenue agree that a silver tea service sold in July 1988 by private bargain for £3,150, having cost £1,000 in 1972, might reasonably have been expected to fetch a price of £2,000 on March 31, 1982, and that the cost of ascertaining that March 31, 1982, value was £100.

If you are a higher-rate taxpayer (for 1988-89), the CGT bill on that service would be £100, viz 66% per cent of the excess of the sale price over £3,000. If the inland Revenue were persuaded that the service could have been sold for £2,100 on March 31, 1982, the CGT bill would be only £91.60, viz 40 per cent of (£2150 - 1243 per cent of £2100 - £100). The explanation of these rather odd-looking calculations is to be found in section 128 of the CGT Act.

WHY TAKE the risk of losing your shirt overnight in shares when you can earn a real rate of return above inflation, without taking any chances? That could be a question many investors are asking after the recent turmoil in the stock markets. The answer is that the present high level of interest rates provides considerable opportunities for achieving a high, short-term return on your money without the risk of being undermined by the whims of Japanese bankers.

The full impact of the recent rise in base rate to 15 per cent has yet to come through. As usual, it has tended to affect the cost of borrowing - including mortgages - first, and the banks and building societies have been much slower to increase the return to savers. David Black, of Blay's Guide, which maintains a close watch on mortgage and deposit interest rates, says the picture is unlikely to become clear until November 1.

Nevertheless, some increases in the rate paid on deposit accounts are trickling through, mainly from the smaller societies and banks for specific accounts. At the same time, several of the banks offering Money Market Accounts (quoted daily in the *Financial Times*), which are linked to the wholesale sources of money, have put up the interest paid to very competitive levels, as shown in the accompanying table supplied by Blay's MoneyMaster.

With only certain exceptions, though, these are variable rates which would be marked down quickly if base rates were to be lowered. A few societies do offer a fixed return over a limited period, but it is more common to guarantee to maintain only a set percentage differential over and above the society's standard rate. The total return still varies if the standard rate is changed.

Banks and building societies also set a trap for higher-rate taxpayers. They pay a net rate, after deduction of composite rate tax, but for calculating the liability to higher-rate tax, the interest is grossed-up by a notional 25 per cent as the basis for calculating the extra 15 per cent tax payable. So, if you were paid a net rate of 12 per cent, this would be grossed-up to 16 per cent and the actual rate received by the higher-rate taxpayer would be 9.6 per cent.

A different method is applied to the interest received on guaranteed income bonds. Here, the higher rate of 15 per cent is payable on the actual return, so a quoted net

There's scope for profiting from interest rates, says John Edwards

High returns and low risks

return of 12 per cent would be worth 10.5 per cent to the high-rate taxpayer.

Guaranteed income bonds, issued by insurance companies and, therefore, backed by the Policyholders' Protection Act compensation scheme, are providing some very high interest rates fixed over a specified period. As the accompanying table shows, the rates vary in accordance with the time period and minimum amount invested.

The highest rate available now is 12.30 net (10.45 to a 40 per cent taxpayer) for a minimum of £100,000 invested for a year. The rates decline for a longer period (up to five years) and for smaller minimum investments.

The interest rate can also be affected by the frequency of

income payments made - monthly, quarterly, half-yearly or annually. John Dyson, of Thomson's Financial Planning Consultants, points out that if you do not need the income, or do not want to receive it for tax reasons, you can opt for growth bonds where the interest is compounded and not paid until the bond matures.

In this way, you can defer paying the tax until you want, such as after the introduction of independent taxation for married couples or when your tax liability has dropped as a result of retirement.

Guaranteed income bonds, sold primarily by intermediaries and insurance companies direct, do not suit everybody as they mean locking your money away and taking a gamble that interest - and inflation -

rates won't go even higher. If you believe inflation will continue to rise, then the best bet is index-linked National Savings certificates. To earn the highest rate of interest, 4.04 per cent above the rate of inflation, you have to hold the certificates for five years. But you can cash them at any time after 12 months and still receive 3 per cent above inflation. So, if inflation averages 7.5 per cent over the 19-month period, you would receive 10.5 per cent tax-free. The drawbacks are that the maximum investment is only £5,000 and that you are gambling on the rate of inflation.

The recent rise in interest rates has made the other National Savings products even more uncompetitive, with the exception of Capital Bonds for non-taxpayers. Since the government no longer raises National Savings to raise additional funds, it seems unlikely that it will bother to increase the rates to more attractive levels.

Gifts (government securities) are the other obvious alternative to shares. They moved up sharply on Monday in response to the possibility of interest rates being cut to avoid a collapse in the share market. Now that seems unlikely to happen and, indeed, there could even be a further rise if sterling comes under renewed pressure. Gifts are a highly-volatile (and, therefore, dangerous) investment unless you are prepared to hold them until maturity. In that case, you can calculate your return over the years precisely.

It can be argued that now is a good time to buy gifts if you believe that interest rates have peaked. But this is a speculation since, at present, the returns are not competitive and the market is distorted by the government's buying-in policy.

Name	Term	Minimum	Maximum	Net %	Interest
New Direction	1	1,000	4,999	11.75	yearly
New Direction	1	5,000	14,999	11.80	yearly
New Direction	1	15,000	24,000	12.00	yearly
New Direction	1	25,000	99,999	12.10	yearly
New Direction	1	100,000		12.20	yearly
Regency Life	1	5,000	14,999	12.00	yearly
Regency Life	1	15,000	24,999	12.10	yearly
Regency Life	1	25,000	99,999	12.20	yearly
Regency Life	1	100,000		12.30	yearly
Premium Life	3	1,000		10.60	yearly
Premium Life	5	10,000		10.20	monthly
Centenary Life	5	1,000	100,000	10.00	yearly
Hill Samuel	5	5,000	100,000	10.30	yearly

Institution	Account name	Net %	Not compounded		Notice period	Minimum deposit
			25% Tax	40% Tax		
Standard Property	int current	11.35	11.35	9.06	Immediate	£1
	High int chq	11.35	11.84	9.47	Immediate	£500
	High int chq	11.35	11.84	9.47	Immediate	£25,000
	High int chq	11.73	12.28	9.80	Immediate	£50,000
Allied Trust Bank	1 month	11.35	11.66	9.57	1 Month	£2,001
	30 days	11.35	12.13	9.70	30 days	£50,000
	90 day inv	10.57	11.00	8.80	90 days	£500
	90 day inv	10.94	11.40	9.12	90 days	£5,000
Confederation Bank	90 day inv	11.13	11.60	9.28	90 days	£10,000
	90 day inv	11.36	11.85	9.48	90 days	£20,000
	90 day inv	11.49	11.98	9.60	90 days	£25,000
	Anniversary	11.58	12.00	9.80	1 year	£5,000
Nottingham BS	Max elite	11.75	12.10	9.85	1 year	£10,000
	Classic	12.00	12.00	9.80	1 year	£25,000

Source: Blay's MoneyMaster

Our US Bank Accounts are attracting a lot of interest

Bell Savings Bank has been serving many thousands of satisfied depositors in USA for over 60 years, offering traditionally high US Dollar interest rates and fast efficient service. We now offer the same benefits to international depositors with many advantages:

- * Minimum opening deposit only £500 or US Dollar equivalent.
- * No currency conversion charges or commissions taken.
- * Interest paid gross and confidentiality guaranteed under US law.
- * All deposits fully insured up to \$100,000
- * FREEPHONE between UK and USA for account holders.

- SEVEN TYPES OF ACCOUNT
- 1 Fixed Rate Certificate of Deposit.
 - 2 Variable Rate Certificate of Deposit.
 - 3 Variable Rate Money Market Account.
 - 4 Capital Maximiser Premium Money Market Account.
 - 5 Personal or Business Checking Account.
 - 6 Corporate Checking Account.
 - 7 Jumbo Account.

BELL SAVINGS BANK P.S.A.
BELL SAVINGS BANK P.S.A., 15th & John F. Kennedy Boulevard, Philadelphia, Pennsylvania, 19102 USA. Paid up Capital & Reserves in excess of \$65,000,000

Deposits made with the offices of Bell Savings Bank in USA are not covered by the deposit protection scheme under the UK Banking Act 1987. They are fully insured up to \$100,000 per person by the Federal Deposit Insurance Corporation, a US Government Agency. Full details on request.

For full information, write to Bell Savings Bank Representative Office at: FREEPOST Dept. W, The Grove, Starstock Lane, Coulsdon, Surrey CR3 9UU or telephone 01 660 4354.

SEE US AT THE MONEY SHOW STAND 4103 OLYMPIA, LONDON 2nd-5th NOVEMBER



To market, to market.

Can the road to the stockmarket ever have been easier? The Foreign & Colonial Investment Trust Private Investor Plan brings you all the joys of stockmarket investment for any amount from £25 a month upwards.

It also brings you less of the worries.

For a start there's the reassuring thought that, via the Private Investor Plan, your monthly investment is buying stocks and shares selected by the same experts who invest millions a day.

The knowledge that you're paying a mere 0.25% in charges, compared with stockbrokers' usual commissions of around 1.65%, might ease another crease from your brow.

Everyone should know that the value of shares can fall as well as rise, and that past performance is no guide to the future.

And, while it's easy to be cheerful when it's a bull market and share prices are rising, here's something to bear in mind when prices drop.

If you're investing monthly, you get more shares for your money when prices are low. So, provided you can wait for markets to rise again, you're laughing.

Incidentally, the knowledge that the Foreign & Colonial Investment Trust rose 157% over the 5 years to 30.9.89 might help you grin and bear it.

Small wonder experts and influential investors take advantage of the Foreign & Colonial Investment Trust Private Investor Plan.

Maybe you should be in the market for one.

For a copy of the Annual Report and application forms for the Private Investor Plan, send this coupon to: Eleanor Brett, Foreign & Colonial Management Limited, 1 Laurence Pountney Hill, London EC4R 0BA. Or telephone (01) 623 4680. Manager of The Foreign and Colonial Investment Trust PLC and a member of I.M.R.O.

Surname _____ Mr/Ms/Miss/Other _____
Address _____
Postcode _____

WORLD ADVERTISING

The Financial Times proposes to publish a Survey on the above on

4th December 1989

For a full editorial synopsis and advertisement details, please contact:

NEVILLE WOODSTOCK

on 01-873 3365 or write to him at:

Number One, Southwark Bridge London SE1 9HL.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

MARKET RESEARCH

The Financial Times proposes to publish this survey on:

DECEMBER 14 1989

For a full editorial synopsis and advertisement details, please contact:

NEVILLE WOODCOCK on 01-873 3365

or write to him at:

Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

THE INTERNATIONAL DRINKS INDUSTRY

The Financial Times proposes to publish a Survey on the above on

28th November 1989

For a full editorial synopsis and advertisement details, please contact:

Jonathan Wallis on 01-873 3565 or write to him at:

Number One, Southwark Bridge London SE1 9HL.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FOR AS LITTLE AS THIS



U.F.M. NOW GIVES YOU ALL THIS



Imagine this elite force driving your investments: three world class fund management groups operating in every major Share, Bond and Currency market, under the strategic direction of the U.K.'s leading investment house.

A fiercely competitive fee structure, unlimited same-day switching at no charge, and tailored investment profiles combine to make the U.F.M. service unique.

Phone 091-321 0717 or complete the coupon

To: Umbrella Fund Management Ltd., FREEPOST, Newcastleupon Tyne NE1 1BR

Please send me the U.F.M. information pack. I would be considering an investment level of £ _____ (MIN. £15,000)

Name _____ Title _____
Address _____
Post Code _____
Phone (Day) _____
(Eve.) _____ FAX _____

U.F.M. UMBRELLA FUND MANAGEMENT LIMITED

U.F.M. is an independently owned company and a member of I.M.R.O. Investors should give their business investment decisions as well as the due to market and currency movements, they may see back the whole of their original investments.

MINDING YOUR OWN BUSINESS

There's money in taking care

Roy Hodson examines a sector with increasing appeal

OWNING NURSING and residential care homes has become a much more professional and specialist than it was before the Registered Homes Act 1984 became law four years ago. Anyone thinking of entering the sector will soon detect that it has undergone some radical changes during that time. Traditional concepts of the "old people's home" have been replaced largely by a bricker type of organisation with a business plan as well as a mission statement.

It is also a business which has a high degree of interchange between the private sector owners and managers, the health service and local authority social services. For that reason, it is unlikely to be a business for the single-minded entrepreneur who is not over-fond of co-operating with bureaucrats.

That proviso apart, there are a number of appealing aspects to running a residential care or nursing home as a small business. So appealing, in fact, that nearly 1,000 homes have been started every year since 1984 and 63 per cent of people starting them up are first-timers who have never owned a business before.

A couple with limited means, but confidence that they have the drive, tenacity and practical experience to buy and manage a home, will find the banks and financial institutions better disposed generally to such a project than many other types of business venture.

The homes themselves provide excellent bricks-and-mortar security. And the institutions specialising in that area of lending know that a precise financial plan can be drawn up for the finances involved usually, are straightforward. The number of residents the home can accommodate is known, the fee income can be assessed accurately, and the running costs are calculated easily.

So long as the proprietors manage their establishment efficiently, and keep all the residents' rooms occupied, they can look for a gross profit of between 30 and 40 per cent on turnover. That figure is after paying staff salaries and food bills but before paying their own salaries and servicing debt. Homes are exempt from

rates (providing the owner applies to the council). The downside - for ambitious entrepreneurs - is that the turnover of a home is limited by the nature of the business. You can expand only by building more rooms or opening another home. There is little latitude to increase profits by charging higher fees than the competition.

Homes are safe in business terms: few of them go bust. And it is because of the safe nature of the investment that comparatively large sums can be borrowed to buy and convert former large private homes or vicarages. There are few other areas of business where a couple planning their first venture may be able to raise £500,000 or more.

The Thatcher Government is

encouraging the long-term growth of nursing and residential care homes, both to relieve pressures upon the public sector and to help take account of an ageing population requiring more care facilities at the time. And since the ground rules for running homes became clearer with the 1984 Act, there has been a 50 per cent expansion in their number in England and Wales. About 15,000 are registered now with an average size of 14 bedrooms accommodating 17 people.

AVERAGE SALES PRICES YEARS COMPARED INDEX 1975 = 100

	1985	1986	1987	1988
Nursing & Residential Care Homes ...	100	106	127	180
Christie & Co. Average Index	376	428	532	687
Retail Price Index	262	272	281	296
House Price Index	320	364	431	524

clearly, the rate of increase in homes during the past few years has been exceptional. And while the best signs are that the boom is tailing off, the trend for existing homes to be expanded and re-equipped to ever-higher standards is likely to continue vigorously.

John Howard is managing director of Christie and Co., a company specialising in selling care homes. He says individuals and companies are more ready than ever before to build on existing sites as well as on green-field sites up to an acre, and he believes the optimum size of new, purpose-built homes will be for 40-plus residents.

At this point, hard decisions have to be made. These centre on whether relatives, or the DHSS, or the local authority, or another source such as a charity, are willing to contribute directly to keep the person in the home to which he or she is used - or whether cheaper accommodation should be sought. Local authorities usually register residential care homes, which are defined as providing both personal care and residential accommodation with board. They are mainly for people who for various reasons - including old age, disability and illness - are no longer able to cope at home.

Nursing homes offer a higher degree of care and are registered by the regional health authority. Professional qualifications are required for the registered owner, although local authorities and the DHSS prefer previous experience and will check carefully to satisfy themselves that the person is fit to run such an establishment. It is possible to obtain dual registration for both residential and nursing care so that people living in the home can be moved from one side to the other as their condition requires.

The stricter rules governing nursing homes require that the "person in charge" at all times of the day and night should be qualified suitably, which means either a resident doctor or a top-level nurse (called First Level in the profession). Often, she will be a former ward sister with nursing and administrative training. Staffing levels in nursing homes are high. Indeed, in order to cover shifts, smaller homes often have more employees on the pay-roll than the number of patients living there.

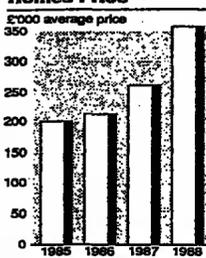
Property prices now depend very much upon the quality of the individual home and, above all, its location. The demand for places in homes is highest in the south of England, where properties are most expensive (although families able to pay private fees are concentrated heavily in the south). Depending upon the role of the home, fees in the south of England can be as high as £300 a week. Fees in northern homes, where property is cheaper and fewer families can afford private care, tend to match the Department of Health and Social Security maximum contributions, which are about half that level. Maximum fees payable by local authorities for accommodation in privately-owned residential homes range from £140-£200 a week, depending upon the elderly person's age and physical and mental state. Care in private sector nursing homes is the responsibility of the DHSS and maximum payments range between £190 and £235 a week, reflecting the spe-

cial facilities required. All those limits can be extended by up to 25 per cent if the home is in the Greater London area. Any difference between the state contribution and the weekly cost of a home place (and there almost always is a difference in the south of England) is contributed by relatives or advisers managing the estate of the person in the home. When an estate has been reduced to £5,000, the person is allowed to keep that small remaining capital.

At this point, hard decisions have to be made. These centre on whether relatives, or the DHSS, or the local authority, or another source such as a charity, are willing to contribute directly to keep the person in the home to which he or she is used - or whether cheaper accommodation should be sought. Local authorities usually register residential care homes, which are defined as providing both personal care and residential accommodation with board. They are mainly for people who for various reasons - including old age, disability and illness - are no longer able to cope at home.

Nursing homes offer a higher degree of care and are registered by the regional health authority. Professional qualifications are required for the registered owner, although local authorities and the DHSS prefer previous experience and will check carefully to satisfy themselves that the person is fit to run such an establishment. It is possible to obtain dual registration for both residential and nursing care so that people living in the home can be moved from one side to the other as their condition requires.

Average Nursing & Residential Care Homes Price



SOME USEFUL ADDRESSES:

- National Care Homes Association, 5 Bloomsbury Place, London WC1A 2QA (tel. 01-438-1871).
- Registered Nursing Home Association, Cathorpe House, Hagley Road, Edgbaston, Birmingham B15 8QY (tel. 021-454-2511).
- British Federation of Care Home Proprietors, 852 Melton Road, Thurston, Leicester LE4 8BN (tel. 0533-640-095).
- Christie and Co, business transfer agents, 50 Victoria St, London SW1H 0NW (tel. 01-799-2121) and regional offices.
- David and Company, business transfer agents, 50 Alexandra Road, Wimbledon, London SW19 7LB (tel. 01-543-6111).
- Taylors, business transfer agents, Wessex House, 9-11 Garvie Place, Bournemouth (tel. 0202-293-563).
- RCG Business Recruiters, 2-6 York Street, London W1A 1BP (tel. 01-835-9088).

From penniless students to wealthy entrepreneurs

How a migrant couple built-up a business with two nursing care homes and a third on the way

DANNY Shamtally, from Mauritius, arrived in Britain at the age of 18 with a place on a student nurse training course at Belmont Hospital, Surrey, and not much else. That was in 1970. He and his Filipino wife, Carmelita, are now well on their way to being millionaires - on paper, at least. They own two private nursing homes in the county, with a total of more than 40 beds, and are buying a third. They are outstanding examples of the way a nursing background can lead people with an interest in running something of their own into the care homes business.

They met and married while courses, and both eventually qualified as Registered Mental Nurses. Danny worked as an assistant officer and then officer in charge of council-owned residential homes in Sutton and Wallington for 10 years before they opened their first private home in 1983.

They used a Lloyds Bank mortgage to buy a Victorian house in Sutton for £85,000 and opened for business just before the 1984 Registered Homes Act, which was to help bring about a widely expanded national market for residential and nursing home places. Now, Carmelita is matron there while Danny spends most of his time managing their second home, Chalden Rise, in Merstham.

Looking south from the slopes of the Downs, with a large garden beyond the French windows, Chalden Rise used to be a comfortable, stockbroker's belt home. The Shamtallys have turned it into a psychiatric category nursing home at rates of £200 per person a week. With day and night nurses, catering and cleaning staff, they are employing 24 people to look after 20 residents. (Danny drives a minibus for outings.) He acknowledges that he would not have dared to open such a specialised home without his own background in psychiatric nursing. But, just one year later, he believes he has an efficient and profitable unit running in a style he is confident he can repeat if he acquires a third home.



Danny and Carmelita Shamtally: a third home is planned

Such rapid expansion follows the style of go-ahead business people in the care homes sector who are expanding their businesses by almost the only way open to them - providing more beds. Danny says he has never had an empty bed at either of his homes and there is always a waiting list for the next room that becomes vacant, despite his fees being in the more expensive segment of the sector. The homes are run with a relaxed, country house atmosphere and almost every person has an en-suite bathroom.

To buy his second home, he restructured his family and business finances (he and his wife work as a business partnership with the Bank of Scotland and obtained a £500,000 loan at 3 per cent above base rate over 15 years. Almost all the profits continue to be ploughed back into the business. Competition is growing, but he says: "Although a lot of homes are being opened now it doesn't frighten us. We still get a call on average at least once a day from someone looking for a bed for a relative or a patient."

R.H.

MINDING YOUR OWN BUSINESS

BUSINESS OPPORTUNITIES

NEW BUSINESS IDEAS
THE CREATIVE THINKING APPROACH

What is an idea worth? Especially an idea which has been well conceived, thoroughly researched and properly evaluated. Clearly such an idea is worth a great deal. It is certainly worth talking to the Business Ideas section at B.M.A. In particular if you are looking for new business concept ideas or indeed would like to have your idea evaluated. Call Lyane Henshaw or Barry Bevan.

BMA 0742-682623

FOR SALE
TIMESHARE INVESTMENT OPPORTUNITY
A unique opportunity exists to take over a complete block of fifty luxury apartments in new phase of well established beach-side development close to Marbella, Costa del Sol.

Write Box H5335, Financial Times, One Southwark Bridge, LONDON, SE1 9HL.

COMMERCIAL BRIDGING
We move fast so you can buy fast

(0962) 840 555

Orders for 5,000 to 100,000 MT's of World Refined and Crystal Sugar filled promptly. No U.S. delivery. Absolute confirmation of supply to retail buyers.

Call OFC in U.S. at 212-763-1754

COMMERCIAL or INDUSTRIAL PARTNER
sought to join with us as we become Market Leaders.

We manufacture and market specialist furniture products for Homebuilders and other Commercial users - demand is unabated by current Housing slowdown and profitable turnover is already into seven figures.

Write Box H5352, Financial Times, One Southwark Bridge, London SE1 9HL.

BUSINESSES FOR SALE

NURSING HOME - HERTFORD/LONDON BORDERS

- PRESTIGIOUS PURPOSE BUILT HOME NEARING COMPLETION.
- HIGH SPECIFICATION OFFERING MINIMUM REGISTRATION FOR 71 WITH FURTHER POTENTIAL.
- 50 EN-SUITE BEDROOMS OF VARYING AND GENEROUS DIMENSIONS.
- SUPERB ANCILLARY AND STAFF FACILITIES.

Offers in excess of £3.5 MILLION by 28TH NOVEMBER 1989. For fuller details and plans contact Sole Agents:

David & Company
5 Alexandra Road
Wimbledon
London SW19 7LB

Tel: 01-579-1414 Fax: 01-947-5665

TAYLOR NATIONAL'S CORPORATE DIVISION
Thinking of entering into the Private Care Home sector, contact

Taylor provides a specialised service for the acquisition of large units/groups. Nationwide. Its extensive confidence line June Wilton 01-390 9748 or Gaylene Taylor on 0202 293262.

1- Home for EMI + Psychogeriatric Home, total reg 45, projected ann. inc. £350,000, available together or separately, £1,250,000 F/H.

FOR SALE
London travel agency with 3 branches. Full ABTA and IATA licenses. T/O £9m valuable sites. High growth.

Principals only write Box H5319 Financial Times, One Southwark Bridge, LONDON, SE1 9HL.

COMPANY FOR SALE
Well established SHOPPING COMPANY
"Turnover in excess of £2.0 million"
"Well established clientele"
"Location: South Midlands"

Contact: P.M. SMART c/o 8 Bath House Bath Parade Cheltenham Glos GL52 7HL.

TRAVEL AGENCY FOR SALE
IATA and ABTA registered travel agency in centre of East Midlands town. Newly equipped elegant premises. 3 years accounts available. Good reason for sale. T/O approx £800,000 and growing. Price £75,000.

Write Box H288, Financial Times, One Southwark Bridge, LONDON, SE1 9HL.

MALTA
Grade A1 Holiday Village. Guaranteed bookings for 1990. Unlimited potential for expansion.

Write Box H5318, Financial Times, One Southwark Bridge, London SE1 9HL.

FOR SALE
Stationery Manufacturer with unique range of products. Turnover £800,000. Profitable.

Principals only Write to Box H5334, Financial Times, One Southwark Bridge, LONDON, SE1 9HL.

YACHT CHARTER COMPANY
Up and running yacht charter company currently operating out of Turkey. Five yachts including 50' classic. Enormous potential. 1990 bookings already £200,000.00

Tel: (0703) 221174 (24 hours). Fax: (0703) 330949

BUSINESS SERVICES

The Regus Centre London

- Executive Offices
- Conferences
- Business Bureau
- Club Restaurant

Total Square 01-672 5929
London - Stockholm - Copenhagen

BRUSSELS LUXURY OFFICE SUITES
Fully furnished and equipped phone fax secretarial back-up etc conference rooms executive representation short or long term. Prestige address near EEC phone 322 535 78 00

YACHTS & POWERCRAFT

MOTOR YACHT
Luxury 125' Motor Yacht with enormous charter/income earning potential. A classic English yacht with full Lloyds structural classification. Lying Greece. Owners keen to sell. £581,100,000.

Tel: (0703) 221174 (24 hours). Fax: (0703) 330949.

IDEAL OPPORTUNITY FOR BES SCHEME OR ENTREPRENEUR LOOKING FOR HIGH RETURN
5 detached bungalows, all ready for occupation this month. Conveniently located close to a busy town centre in Derbyshire with high letting demand. Substantial discount to market value offered. For further details please telephone 0246 201988 before 4.30pm and 0246 853213 after 6pm.

ACCOUNTANCY
The Financial Times proposes to publish a Survey on the above on 28TH NOVEMBER 1989
For a full editorial synopsis and advertisement details, please contact: WENDY ALEXANDER on 01-873 3524 or write to her at: Number One, Southwark Bridge London SE1 9HL.

BUSINESS SOFTWARE

To advertise in this section please telephone Peter Shild, 01-873 3524 or 407 5764 or write to him at the Financial Times, Number One, Southwark Bridge, London SE1 9HL.

CENTRAL SOFTWARE
Financial Software of the highest quality. Banking, Fund/Investment Management, Unit Trusts/Share Funds, Insurance Policies, Expert Finance and Desktop work with Integrated Letter Writing and Recording.

SOLO 1, Cambridge Rd, London SW19 7LB
Tel: 01-835-9555

TELEX & FACSIMILE MANAGEMENT
Control telex and facsimile from your computer system send messages via screen, edit, highest quality transmission. Messages printed out permanently on standard dot matrix or laser printer. Available on IBM PCs, Novell or Concurrent Dos.

Cerberus Software Ltd.
Tel: (0703) 788227 Fax: (0703) 788762

BE YOUR OWN FINANCIAL ADVISOR
Technical Analysis Workshops - would you like to learn more about Technical Analysis, the techniques involved, how indicators work and how to use them? Our countrywide workshops are restricted to small groups so that you receive the maximum benefit - contact

INTEGRA WORKSHOPS
11th Avenue, Millers-on-Thames Surrey KT2 2PH
Phone now on (0832) 250946

TIMECHECK
The successful Apple Macintosh management package. For organisations using timesheets. Set up and stock reconciliation and produces invoices, offers comprehensive management reports and links into an accounting system.

TUSCO
Golfhouse House
2a Oxford Road
Oxford OX2 3SW
(0202) 67028
Linda Hughes

COMPLIANCE/CLIENT RECORDING PROBLEMS?
TRACER - an integrated desktop/terminal system "Know your client" profile includes investor restrictions. Date, Time, User logging. Client Manager Accounting Handles Unit Trusts, Equities, etc. SOLO 1, Cambridge Rd, London SW19 7LB Tel: 01-835-9555

VAN SALES DISTRIBUTION
Instant Point-of-Sale involving with the On-board OBC VANFLEX system. Linked to the OBC Depot System, we offer a total Customer/Manufacturer solution for Van Sales Distributors. Split cases, random weights, special prices, daily cash and stock reconciliation and profit/loss plus automatic debtors control.

DISTRIBUTION SYSTEMS, Hillier Court, HILTON, Dorchester SP2 7JL
Tel: 0256 574 12 Fax: 0256 574 12

GENIE CHARTIST
Friday 28 September what did your programme tell you? A computerised technical analysis programme, a world first. Actually tells you what to do, why. Turns you into a professional overnight.

Genie Software Ltd
Call 0275 77985.

SUCCESSFUL CURRENCY FORECASTING BEGINS HERE
THE FOREXIA CURRENCY PROFIT - a subscription service giving a complete independent currency forecasting service on your PC. Acclaimed by top financial magazines worldwide.

FOREXIA (U.K.) LIMITED, Putnam Rd, Putnam, Surrey. TW20 2JF Tel: 01 848 2818 Fax: 01 848 6888

INVESTMENT SOFTWARE
CHART ANALYST 52825
Price: Average, Trend Lines, Point & Fig, Oscillators, Split Screen, 2000k. Much more. Superb Graphics. IBM PC. STOCKMARKET 23525
Portfolio Manager - Charts, Fiscal Transactions, Dividends, Cash Payments, Plot Prices/Averages. IBM PC. Annual PCW, May
Thousands Sold.
SUCCESSFUL SOFTWARE, TEL: 01 830 7822

PERHAPS YOUR BEST INVESTMENT YET!
Superior yet cost effective investment management for your PORTFOLIO or company. Portfolio Manager Unit Trust Manager Client Financial Advisor Features - composite database, full screen edit, auto-chart, prompts, instructions, volume analysis etc.

M.A. HILL CONSULTING TEL: (0708) 988 097 Fax: (0708) 979198 Email: for other contact details, needs

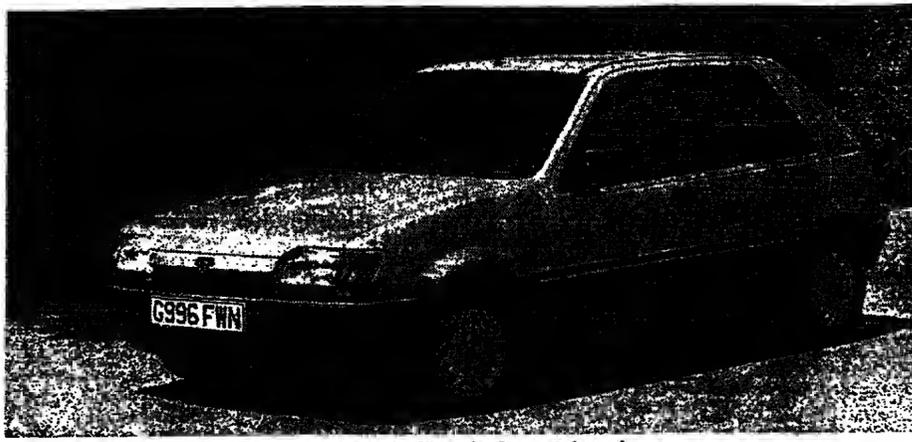
GOUL & LEISURE Development Projects in Langston/Portsmouth coast average £100,000. Coast Estates International, (0202) 879023.

READERS ARE ENCOURAGED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

INVESTORS
Whether you invest in CURRENCY, COMMODITIES, EQUITIES, FINANCIAL FUTURES, INVESTMENT TRUSTS OR WORLD STOCK MARKETS, our trading systems make money - show us 10 prove it!
We back up our claims with hard solid evidence.
Phone: (0252) 22384 or 24124
100KIA RESEARCH TRAINING SYSTEM, 18 Stonecross, Watlington, Surrey KT12 2PH UK.

MOTORING/DIVERSIONS

HERE ARE more "best car of the year" awards than a motor manufacturer could shake a gearstick at, but the one that counts is the European Car of the Year contest which started in the 1960s when the Rover 2000 triumphed.



The Ford Fiesta Ghia... looks likely to battle it out with Citroen for the coveted award

A triumph for France?

Stuart Marshall tips Citroen's XM as Europe's Car of the Year

There have, though, been some trend-setters that deserved the award: the Renault 16, for example, an odd-looking but comfortable and practical hatchback (winner in 1986); the Fiat 124 (1987), pensioned-off years ago in Italy but, as the Lada Riva, still the mainstay of Soviet car production; and the NSU Ro80, a superbly designed and styled saloon of 21 years ago. It looks good today but was a commercial disaster.

(1988) deserved to be Car of the Year as did the Peugeot 405, an overwhelming winner in 1988. And this year? The 14 entrants at the starting gate (eight of them Japanese, six European including one from Czechoslovakia) are the Audi V8, the Citroen XM, Daihatsu Applause, Ford Fiesta, Honda Accord, Mazda 323, Mercedes SL, Nissan Maxima, Nissan Prairie, Nissan 200SX, Skoda Favorit, Subaru Legacy, Suzuki Swift and the Volkswagen Corrado.

well as any in its class and better than most, with a wheelbase longer than the Ford Escort. Buyers have a choice of power units, with carburettor or fuel-injected petrol engines and a diesel of realistic capacity (1.8 litres). Bodies are three- or five-door, transmissions five-speed manual or continuously variable automatic. Prices were not increased when the model changed.

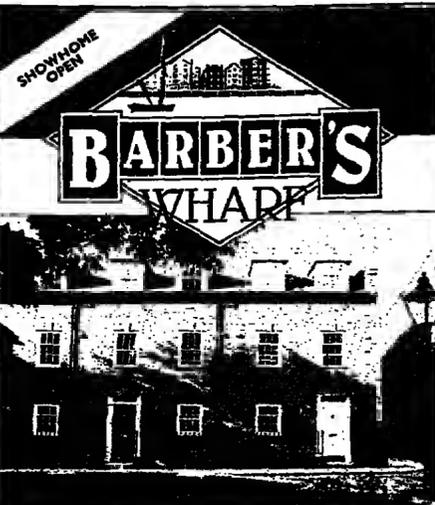
Of the Nissans, I suspect the sportingly elegant 200SX - powered by a 1.8-litre, turbo-charged, 16-valve engine - could attract more votes than the two- or four-wheel driven Prairie "people mover" or the Maxima, the European-style executive saloon. The jury likes fast, inexpensive cars such as the 200SX.

Sbaru Legacy and Suzuki Swift - will end up at the back of the field. They are not poor cars - to judge by their specifications, quite the reverse - but they are from relatively small, lesser-known manufacturers.

WOODFIELD FACILITIES LIMITED. FULL MAINTENANCE CONTRACT HIRE. First quality service for the business car user. Small mixed fleet (1-5 cars) and individual director's cars a speciality.

HOOPER. ESTABLISHED 1907. HOOPER & CO. (CONTRACTORS) LTD. 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 1257, 1259, 1261, 1263, 1265, 1267, 1269, 1271, 1273, 1275, 1277, 1279, 1281, 1283, 1285, 1287, 1289, 1291, 1293, 1295, 1297, 1299, 1301, 1303, 1305, 1307, 1309, 1311, 1313, 1315, 1317, 1319, 1321, 1323, 1325, 1327, 1329, 1331, 1333, 1335, 1337, 1339, 1341, 1343, 1345, 1347, 1349, 1351, 1353, 1355, 1357, 1359, 1361, 1363, 1365, 1367, 1369, 1371, 1373, 1375, 1377, 1379, 1381, 1383, 1385, 1387, 1389, 1391, 1393, 1395, 1397, 1399, 1401, 1403, 1405, 1407, 1409, 1411, 1413, 1415, 1417, 1419, 1421, 1423, 1425, 1427, 1429, 1431, 1433, 1435, 1437, 1439, 1441, 1443, 1445, 1447, 1449, 1451, 1453, 1455, 1457, 1459, 1461, 1463, 1465, 1467, 1469, 1471, 1473, 1475, 1477, 1479, 1481, 1483, 1485, 1487, 1489, 1491, 1493, 1495, 1497, 1499, 1501, 1503, 1505, 1507, 1509, 1511, 1513, 1515, 1517, 1519, 1521, 1523, 1525, 1527, 1529, 1531, 1533, 1535, 1537, 1539, 1541, 1543, 1545, 1547, 1549, 1551, 1553, 1555, 1557, 1559, 1561, 1563, 1565, 1567, 1569, 1571, 1573, 1575, 1577, 1579, 1581, 1583, 1585, 1587, 1589, 1591, 1593, 1595, 1597, 1599, 1601, 1603, 1605, 1607, 1609, 1611, 1613, 1615, 1617, 1619, 1621, 1623, 1625, 1627, 1629, 1631, 1633, 1635, 1637, 1639, 1641, 1643, 1645, 1647, 1649, 1651, 1653, 1655, 1657, 1659, 1661, 1663, 1665, 1667, 1669, 1671, 1673, 1675, 1677, 1679, 1681, 1683, 1685, 1687, 1689, 1691, 1693, 1695, 1697, 1699, 1701, 1703, 1705, 1707, 1709, 1711, 1713, 1715, 1717, 1719, 1721, 1723, 1725, 1727, 1729, 1731, 1733, 1735, 1737, 1739, 1741, 1743, 1745, 1747, 1749, 1751, 1753, 1755, 1757, 1759, 1761, 1763, 1765, 1767, 1769, 1771, 1773, 1775, 1777, 1779, 1781, 1783, 1785, 1787, 1789, 1791, 1793, 1795, 1797, 1799, 1801, 1803, 1805, 1807, 1809, 1811, 1813, 1815, 1817, 1819, 1821, 1823, 1825, 1827, 1829, 1831, 1833, 1835, 1837, 1839, 1841, 1843, 1845, 1847, 1849, 1851, 1853, 1855, 1857, 1859, 1861, 1863, 1865, 1867, 1869, 1871, 1873, 1875, 1877, 1879, 1881, 1883, 1885, 1887, 1889, 1891, 1893, 1895, 1897, 1899, 1901, 1903, 1905, 1907, 1909, 1911, 1913, 1915, 1917, 1919, 1921, 1923, 1925, 1927, 1929, 1931, 1933, 1935, 1937, 1939, 1941, 1943, 1945, 1947, 1949, 1951, 1953, 1955, 1957, 1959, 1961, 1963, 1965, 1967, 1969, 1971, 1973, 1975, 1977, 1979, 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047, 2049, 2051, 2053, 2055, 2057, 2059, 2061, 2063, 2065, 2067, 2069, 2071, 2073, 2075, 2077, 2079, 2081, 2083, 2085, 2087, 2089, 2091, 2093, 2095, 2097, 2099, 2101, 2103, 2105, 2107, 2109, 2111, 2113, 2115, 2117, 2119, 2121, 2123, 2125, 2127, 2129, 2131, 2133, 2135, 2137, 2139, 2141, 2143, 2145, 2147, 2149, 2151, 2153, 2155, 2157, 2159, 2161, 2163, 2165, 2167, 2169, 2171, 2173, 2175, 2177, 2179, 2181, 2183, 2185, 2187, 2189, 2191, 2193, 2195, 2197, 2199, 2201, 2203, 2205, 2207, 2209, 2211, 2213, 2215, 2217, 2219, 2221, 2223, 2225, 2227, 2229, 2231, 2233, 2235, 2237, 2239, 2241, 2243, 2245, 2247, 2249, 2251, 2253, 2255, 2257, 2259, 2261, 2263, 2265, 2267, 2269, 2271, 2273, 2275, 2277, 2279, 2281, 2283, 2285, 2287, 2289, 2291, 2293, 2295, 2297, 2299, 2301, 2303, 2305, 2307, 2309, 2311, 2313, 2315, 2317, 2319, 2321, 2323, 2325, 2327, 2329, 2331, 2333, 2335, 2337, 2339, 2341, 2343, 2345, 2347, 2349, 2351, 2353, 2355, 2357, 2359, 2361, 2363, 2365, 2367, 2369, 2371, 2373, 2375, 2377, 2379, 2381, 2383, 2385, 2387, 2389, 2391, 2393, 2395, 2397, 2399, 2401, 2403, 2405, 2407, 2409, 2411, 2413, 2415, 2417, 2419, 2421, 2423, 2425, 2427, 2429, 2431, 2433, 2435, 2437, 2439, 2441, 2443, 2445, 2447, 2449, 2451, 2453, 2455, 2457, 2459, 2461, 2463, 2465, 2467, 2469, 2471, 2473, 2475, 2477, 2479, 2481, 2483, 2485, 2487, 2489, 2491, 2493, 2495, 2497, 2499, 2501, 2503, 2505, 2507, 2509, 2511, 2513, 2515, 2517, 2519, 2521, 2523, 2525, 2527, 2529, 2531, 2533, 2535, 2537, 2539, 2541, 2543, 2545, 2547, 2549, 2551, 2553, 2555, 2557, 2559, 2561, 2563, 2565, 2567, 2569, 2571, 2573, 2575, 2577, 2579, 2581, 2583, 2585, 2587, 2589, 2591, 2593, 2595, 2597, 2599, 2601, 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2631, 2633, 2635, 2637, 2639, 2641, 2643, 2645, 2647, 2649, 2651, 2653, 2655, 2657, 2659, 2661, 2663, 2665, 2667, 2669, 2671, 2673, 2675, 2677, 2679, 2681, 2683, 2685, 2687, 2689, 2691, 2693, 2695, 2697, 2699, 2701, 2703, 2705, 2707, 2709, 2711, 2713, 2715, 2717, 2719, 2721, 2723, 2725, 2727, 2729, 2731, 2733, 2735, 2737, 2739, 2741, 2743, 2745, 2747, 2749, 2751, 2753, 2755, 2757, 2759, 2761, 2763, 2765, 2767, 2769, 2771, 2773, 2775, 2777, 2779, 2781, 2783, 2785, 2787, 2789, 2791, 2793, 2795, 2797, 2799, 2801, 2803, 2805, 2807, 2809, 2811, 2813, 2815, 2817, 2819, 2821, 2823, 2825, 2827, 2829, 2831, 2833, 2835, 2837, 2839, 2841, 2843, 2845, 2847, 2849, 2851, 2853, 2855, 2857, 2859, 2861, 2863, 2865, 2867, 2869, 2871, 2873, 2875, 2877, 2879, 2881, 2883, 2885, 2887, 2889, 2891, 2893, 2895, 2897, 2899, 2901, 2903, 2905, 2907, 2909, 2911, 2913, 2915, 2917, 2919, 2921, 2923, 2925, 2927, 2929, 2931, 2933, 2935, 2937, 2939, 2941, 2943, 2945, 2947, 2949, 2951, 2953, 2955, 2957, 2959, 2961, 2963, 2965, 2967, 2969, 2971, 2973, 2975, 2977, 2979, 2981, 2983, 2985, 2987, 2989, 2991, 2993, 2995, 2997, 2999, 3001, 3003, 3005, 3007, 3009, 3011, 3013, 3015, 3017, 3019, 3021, 3023, 3025, 3027, 3029, 3031, 3033, 3035, 3037, 3039, 3041, 3043, 3045, 3047, 3049, 3051, 3053, 3055, 3057, 3059, 3061, 3063, 3065, 3067, 3069, 3071, 3073, 3075, 3077, 3079, 3081, 3083, 3085, 3087, 3089, 3091, 3093, 3095, 3097, 3099, 3101, 3103, 3105, 3107, 3109, 3111, 3113, 3115, 3117, 3119, 3121, 3123, 3125, 3127, 3129, 3131, 3133, 3135, 3137, 3139, 3141, 3143, 3145, 3147, 3149, 3151, 3153, 3155, 3157, 3159, 3161, 3163, 3165, 3167, 3169, 3171, 3173, 3175, 3177, 3179, 3181, 3183, 3185, 3187, 3189, 3191, 3193, 3195, 3197, 3199, 3201, 3203, 3205, 3207, 3209, 3211, 3213, 3215, 3217, 3219, 3221, 3223, 3225, 3227, 3229, 3231, 3233, 3235, 3237, 3239, 3241, 3243, 3245, 3247, 3249, 3251, 3253, 3255, 3257, 3259, 3261, 3263, 3265, 3267, 3269, 3271, 3273, 3275, 3277, 3279, 3281, 3283, 3285, 3287, 3289, 3291, 3293, 3295, 3297, 3299, 3301, 3303, 3305, 3307, 3309, 3311, 3313, 3315, 3317, 3319, 3321, 3323, 3325, 3327, 3329, 3331, 3333, 3335, 3337, 3339, 3341, 3343, 3345, 3347, 3349, 3351, 3353, 3355, 3357, 3359, 3361, 3363, 3365, 3367, 3369, 3371, 3373, 3375, 3377, 3379, 3381, 3383, 3385, 3387, 3389, 3391, 3393, 3395, 3397, 3399, 3401, 3403, 3405, 3407, 3409, 3411, 3413, 3415, 3417, 3419, 3421, 3423, 3425, 3427, 3429, 3431, 3433, 3435, 3437, 3439, 3441, 3443, 3445, 3447, 3449, 3451, 3453, 3455, 3457, 3459, 3461, 3463, 3465, 3467, 3469, 3471, 3473, 3475, 3477, 3479, 3481, 3483, 3485, 3487, 3489, 3491, 3493, 3495, 3497, 3499, 3501, 3503, 3505, 3507, 3509, 3511, 3513, 3515, 3517, 3519, 3521, 3523, 3525, 3527, 3529, 3531, 3533, 3535, 3537, 3539, 3541, 3543, 3545, 3547, 3549, 3551, 3553, 3555, 3557, 3559, 3561, 3563, 3565, 3567, 3569, 3571, 3573, 3575, 3577, 3579, 3581, 3583, 3585, 3587, 3589, 3591, 3593, 3595, 3597, 3599, 3601, 3603, 3605, 3607, 3609, 3611, 3613, 3615, 3617, 3619, 3621, 3623, 3625, 3627, 3629, 3631, 3633, 3635, 3637, 3639, 3641, 3643, 3645, 3647, 3649, 3651, 3653, 3655, 3657, 3659, 3661, 3663, 3665, 3667, 3669, 3671, 3673, 3675, 3677, 3679, 3681, 3683, 3685, 3687, 3689, 3691, 3693, 3695, 3697, 3699, 3701, 3703, 3705, 3707, 3709, 3711, 3713, 3715, 3717, 3719, 3721, 3723, 3725, 3727, 3729, 3731, 3733, 3735, 3737, 3739, 3741, 3743, 3745, 3747, 3749, 3751, 3753, 3755, 3757, 3759, 3761, 3763, 3765, 3767, 3769, 3771, 3773, 3775, 3777, 3779, 3781, 3783, 3785, 3787, 3789, 3791, 3793, 3795, 3797, 3799, 3801, 3803, 3805, 3807, 3809, 3811, 3813, 3815, 3817, 3819, 3821, 3823, 3825, 3827, 3829, 3831, 3833, 3835, 3837, 3839, 3841, 3843, 3845, 3847, 3849, 3851, 3853, 3855, 3857, 3859, 3861, 3863, 3865, 3867, 3869, 3871, 3873, 3875, 3877, 3879, 3881, 3883, 3885, 3887, 3889, 3891, 3893, 3895, 3897, 3899, 3901, 3903, 3905, 3907, 3909, 3911, 3913, 3915, 3917, 3919, 3921, 3923, 3925, 3927, 3929, 3931, 3933, 3935, 3937, 3939, 3941, 3943, 3945, 3947, 3949, 3951, 3953, 3955, 3957, 3959, 3961, 3963, 3965, 3967, 3969, 3971, 3973, 3975, 3977, 3979, 3981, 3983, 3985, 3987, 3989, 3991, 3993, 3995, 3997, 3999, 400

COUNTRY PROPERTY



Prices from £195,000 Freehold

An exciting and unique development of luxury town homes situated in the delightful 'Old Town' of Poole adjacent to The Quay. A limited number of four bedroom houses are now available.

- Traditionally Built
- High Quality German Kitchens
- Porter/Concierge Service
- Remote Control Entry Gates
- Generous Purchaser Assistance Schemes
- Equity Share Price £165,750 (Subject to availability)

Showhome open daily between 10.00 am and 5.00 pm or telephone (0202) 683084 for further details.

Downland **PRUDENTIAL**

Downland Homes Ltd. 1 Northgate, Chichester PO19 1AT Tel: (0243) 774148

154 High Street, Poole Dorset BH15 1BA Tel: (0202) 673777

HELMES LODGE

KENDAL - CUMBRIA

Highly unique and individual 1 and 2 bedroom luxury serviced apartments, situated in Grade II listed building and ready for immediate occupation.

Exclusive and comprehensive leisure facilities including whirlpool spa, solarium, gymnasium, sauna.

Prices from \$89,950-\$140,000.

For further information please telephone (0639) 788812 (4lines).

Alfred McAlpine Homes

HAMPTONS

NORFOLK - GREAT WITCHINGHAM

Norwich 12 miles.

A light and spacious period farmhouse, Grade II Listed recently fully renovated to a high standard with excellent accommodation. 4 receptions, 5 bedrooms, 3 bathrooms. Outbuildings. Gardens and grounds of about 4 acres. Guide Price £295,000

Hampton, 44 Prince of Wales Road, Norwich. Tel: 0603 761478

BLACK HORSE AGENCIES 70 High Street Gascolgne-Peas Haslemere, Surrey Tel: (0428) 61343

KINGSLEY GREEN, HASLEMERE, SURREY

An exceptionally bright and spacious single storey red brick set in landscaped grounds of around 4 acres all being south facing and secluded.

6 bedrooms, 4 bathrooms, (2 en suite), 4 reception rooms, kitchen/breakfast, utility, cloakroom, gas central heating, heated swimming pool, pergola for 3 cars, 2 bedroom annex, detached 1 bedroom annexe.

GUIDE PRICE £525,000 FREEHOLD

WOLDINGHAM - NORTH DOWNS - SURREY

20 mins Gatwick. 40 mins H'row. M25 (Junc 6) 4 Mls. 19 mins M25. 5 mins Croydon. 25 mins by Rail Victoria/London Bridge.

Country house in idyllic setting. 2 mins walk centre quiet village, nursery & junior schools. Wide choice public and private schools in immediate area. Local amenities - golf, riding, tennis.

Accom. includes drawing rm, lounge, dining rm, panelled hall, oak, large fully fitted Poggenpohl kitchen/breakfast room, usual utility rms. Principal bedroom suite includes en-suite dressing room. Bathrooms, study/nursery, guest bedrm with dressing rm, 4 further beds, bathroom, playroom/7th bed. Grounds extend to 1 1/2 acres. Beautiful level mature gardens, new 60 ft greenhouse, double garage. £260,000.

Ph: 071 721 3365 / 089385 2244

CHICHESTER HARBOUR / BOSHAM

FINE 19TH CENT. RESTORED. MODERN DETACHED HOUSE.

Dist. g. 3 beds, 4 rec, conservatory, h.h. paneled pan. £250,000.

REGENCY STYLE VILLA 4/5 beds, 3 1/2 rec, dbl gar. lux kit. Harbour views. £394,000.

0243-573598

PROPERTY

When vendors are victims — and prey

John Brennan examines the problems and pitfalls facing sellers in today's dog-eat-dog market

VENDORS WHO succumb to the pressures of bargain-hunters are obvious victims of the instability of today's market. Estate agency standards are another less obvious, but just as vulnerable, potential victim.

Sales agents' commission charges are competitive, and vendors and agents have plenty of latitude to negotiate the rate for specific properties. When homes are selling as fast as they can be put onto the market, vendors can and do shop around to get the cheapest sale costs.

When the market is tough, or if a particular property is likely to need a greater-than-usual marketing effort to achieve a good price, it is common-place for an owner to agree to pay for extra advertising costs, or to work out a sliding scale commission — 1.5 per cent if the sale is achieved at one figure, 2 per cent if it is above another, and so on. What is not accepted so broadly is the phenomenon of the negotiator's "incentive". Professional agencies differ markedly on their attitude to these cash encouragements.

In a letter circulated widely to house agents in London recently, Egerton passed on

news of a vendor's offer to pay £20,000 to whichever negotiator achieved a sale, for £3.6m or more, of a property in Holland Park with a £3.95m asking price. That payment would be in addition to the normal arrangement of a shared commission if another agency introduced the buyer to Egerton's client.

Chesterfield & Co has passed on to fellow-agents a similar offer — in its case, a £10,000 "bonus" to whichever negotiator sold a £1.6m house. In both cases, it was left up to the partners or directors of the other agencies to decide whether to take the cash as extra commission, or follow through the offer to hand over a vendor's cheque to the lucky deal-maker personally. Individual homeowners are also circulating such offers to agencies, with cash rewards being proposed

for bounty-hunters who catch purchasers and nail sales.

These circular letters raise a couple of thorny questions. Is adding such a cash payment a crude but rational marketing ploy, or is it an outrage? And does it really matter either way? The answers depend on whether you regard a relationship with an estate agency as a professional matter, or whether the agency is treated as a convenient access to a group of market traders. They also relate to the extent to which the housing market has drifted towards a degree of

anarchy — or, at least, open warfare between buyers and sellers — where even the most general benchmarks of value are either disbelieved or ignored.

The case that vendor bonuses are a crude, but rational, response to market conditions must centre on the view that, for a suitable amount of personal cash, individual agency negotiators will give priority to selling one property at the expense of their other clients' instructions. If that is the case, then in the kind of tough market seen today, and

taking that approach to its logical conclusion, anyone who is really keen to sell their home would need to enter into a cash auction, competing with their agent's other vendor clients to attract the attention of its negotiators.

If £20,000 is considered appropriate as an incentive to persuade negotiators to take seriously the sale of a £3.9m home, then a £500,000 vendor might expect to have to hand over £2,500,000. The home-owner trying to achieve a £250,000 extra £1,250,000 on top of commission charges. The humble flat-dweller trying to win a buyer for a £45,000 bed-sit would need to have £237,77 in ready cash to inspire a bout of active salesmanship from the people across the agency desk.

This does seem to be taking the concept of free-market cap-

italism to absurd extremes. And if personal cash incentives really are a fair and reasonable way of inspiring extra effort, that would seem also to undermine the vendor-agent relationship if you are a client paying for that agency's best efforts on the basis of pre-agreed commissions and costs.

George Pope, chairman of John D. Wood, feels strongly enough about offers of big cash incentives for negotiators to call the practice "distressing," "disgraceful" and "nothing short of bribery." However you regard the issue, it highlights the argument that, in an age of increasingly regulated and tightly-policed markets, the 500m-plus a year UK property transfer business remains a frontier. Periods of change and uncertainty transform normally honourable people into gasping and gaspingly buying, or into vendors who scarcely blink while instructing their agent to walk away from an agreed sale if a better offer comes along.

Cash payments to win negotiators' attention are hardly out of context against that background. The only curiosity is that any estate agency would confirm so openly that some of its clients are more equal than others.

"The only curiosity is that any estate agency would confirm... that some clients are more equal than others"

Flawed logic

AT A SIMPLE level, logic suggests that a rise in home loan rates results in a roughly comparable fall in prices. In the hopes of disseminating this particular piece of rationalisation, Royal Life Estates is promoting what it calls *The Healthy Guide*.

Dowell Conning, managing director of residential sales for Royal Life South, argues that with mortgage rates at 13.5 per cent, a £500-a-month buyer who could afford a £63,400 house a year ago has to think in terms of a £49,800 property now. "Realistic vendors understand that logic and reduce their asking price to compensate for that rise in interest rates," says Conning. "After all, people can

only afford so much a month." The flaw in the logic is the assumption that there are any realistic vendors or rational home-buyers. There are few other markets where such an overwhelming majority of buyers and sellers think in terms of yesterday's or tomorrow's values.

To confirm the point, the latest quarterly housing market survey from the Royal Institution of Chartered Surveyors (RICS) reports that "the already fragile housing market is numb following mortgage rate increases." The survey, bringing together reports from RICS member firms for the quarter to the end of September, underlines the point that, apart from the still-buoyant £500,000-plus country house market, it is now a "buyers' market" right across the country.

At least some vendors do appear to be taking Royal Life's advice; price cuts of up

to 25 per cent from 1988 levels are encouraging a revival of first-time buying interest in London.

Talk, not action

LAST YEAR, the offer of a Grade II-listed, seven-bedroom Somerset property in 15 acres, with a guide price of £350,000, would have created a traffic jam along the M5. Now, Nick Evans, of Strutt & Parker's Taunton office, says: "People are being that bit more selective. We still have people coming onto our books from outside. But because the market is so quiet in the south-east and they can't sell their houses, most of them take the details and can't get beyond talking about it."

What says Fitzroy House

SAVOY APARTMENTS, WC2

A choice of 2 superb and rarely available apartments in this exclusive building which forms part of the 5 star world renowned Savoy Hotel.

Elegant entrance, 24 hour porterage and full hotel service.

2 bedrooms, 2 bathrooms £550,000 (3rd floor)

3 double bedrooms, 3 en-suite bathrooms, huge reception floor area exceeding 2,000 sq. ft. (entire 7th floor) £1,150,000

SOLE SELLING AGENTS

LASSMANS

100, Abchurch Lane, London EC4N 3DF

ELEGANCE AND STYLE IN A UNIQUE SETTING.

RIDGEMOUNT PARK SUNNINGDALE

A mature wooded setting is the backdrop of this select gathering of only seven 4-bedroom luxury detached homes.

An excellent specification and careful attention to detail has created a unique environment offering a wonderful lifestyle in the very heart of Sunningdale, yet only a very short walk from the railway station and famous golf course.

These exclusive properties offer a sound investment and quality in new homes seldom found today.

For full details either visit the Showhome or contact Joe Cuesta on (0772) 64666. Showhome open daily from 11.00am to 6.00pm. Telephone: (0998) 20932.

ARIA ESTATES A BCC Company in the Halifax Equity Group

Knight Frank & Rutley

South West Surrey

Now on Wye and M25/10/11 3 miles N40 motorway 4 miles A249 to the village

A delightful four bedroom detached house with spacious accommodation arranged on 3 floors. 2 storey barn. Full planning consent granted for conversion to 4 bedroom house with guest cottage. Gardens and tennis.

One mile of privately owned bank trout fishing on the River Gurose equipped with a system of fish ladder. About 1 acre.

Apply Hereford: (0432) 273087

ST MAWES -

The gem of the Cornish Riviera - 4/5 holiday units close to harbour/waterfront. Ideal retirement/holiday investment homes. A rare opportunity in this renowned yachting haven. Prices from £75,000.

Further details from Miller and Company, 1 Marine Parade, St Mawes, Cornwall. Tel: 0326-270744.

GA Property Services

DORSET

Lytchett Matravers, Poole

A SUPERB COUNTRY RESIDENCE set in 2 1/2 acres and including swimming and paddock, overlooking open countryside and the Purbeck Hills.

This new property is on the edge of the village, within easy access to Poole. 4 reception rooms, 4 bedrooms, 2 bathrooms, games room, double garage and driveway.

GA Land & New Homes, Poole, Dorset. Tel: (0202) 731922. Please contact Jonathan Coaling.

SOUTH DEVON NR DARTMOUTH

Attractive detached country house located in an area of outstanding natural beauty, enjoying sea and coastal views, overlooking National Trust Land and across Start Bay. Well established gardens of over 1/2 acre. 2 recep., conservatory, cloakroom, 3 beds, 2 baths, dbl garage. Freehold £285,000. For details apply: **Comerstone Abbey National 113 Huxley Road, Dartmouth. Tel: (08043) 2045**

GA Town & Country

HAMPSHIRE, Beaulieu

SUPERB NEW SINGLE STOREY RESIDENCE situated on the edge of this delightful Forest village and set in woodland with glimpses of the River. 3 reception rooms, 3 bedrooms, kitchen/breakfast room, 2 bathrooms, fitted carpets, central heating, double garage, garden. Price £350,500.

GA Town & Country, Johnson & Jackson. Tel: (0590) 675025. Please contact: Philip Anbery-Fletcher.

HOLIDAY INVESTMENT HOMES IN CORNWALL

From £24,950

Capital Gains Tax Relief Over £100k with 10% Annual Inflation

Total investment of UK Property investment. Reducing up to 50% of total investment. 10% Annual Inflation. Release of capital-gains-annuity capital growth potential. NO MORTGAGE OR MORTGAGE REQUIRED.

Details from Douglas Liddell Ltd, Kingsmill House, 100, Cornwall, TR25 5YX. Tel: (0778) 66971.

FAIRBANKS FINANCIAL

MORTGAGES/REMORTGAGES

ARE YOU AWARE THAT THERE IS FOREIGN INTEREST IN YOUR MORTGAGE?

- * ECU loans at 10% fixed
- * Deutschmark loans at 10%
- * Sw. Franc loans at 9.75%

MULTI CURRENCY FACILITIES ALSO AVAILABLE

* Rates correct at time of going to Press

If you would like further information on any of the above please call

01-385 5544

Licensed Credit Brokers. Open 6 days a week. Monday - Friday 9am - 7pm Saturday 9am - 3pm.

Appointed Representative of Sun Alliance. Member of LAUTRO and IMRO.

CLAPHAM COMMON (WESTSIDE) SW11

Double-fronted, Family/Town house, in quiet area leading to Common. Completely refurbished. Easy access City/West End. 6 bedrooms, with option to convert 1 into Office or Nursery suite. 3 Bathrooms, one en Suite, Dressing Room, 27' Reception Room, Dining Room, Study, large kitchen with adjoining eating area, dry exit, Conservatory, 3' Garden.

No chain £200,000 Tel: 81-252 9461

AN EXCLUSIVE MARINE RESIDENCE SANDHAMS, POOLE

Brand new development. An exclusive seaside development in this beautiful peninsula, probably the most prestigious part of the South Coast. Direct beach access, sea-piscine sea views, excellent Yachting facilities and Golf Course nearby. 3 reception rooms, 2 bedrooms, £275,000 and £315,000.

IMPERIAL ESTATES 01-734-3953

BOLLING PARK, SURREY

Overlooking the river, this beautiful detached 3 1/2 bedroom, 3 bathroom, 1/2 reception, kitchen/breakfast room, roof terrace, double garage, 2 cars, subject to consent. Magnificent views over Holland Park and London Skyline. £285,000.

IMPERIAL ESTATES 01-734-3953

PRUDENTIAL

LITTLE VESPA OFFICE

CLARENDON GARDENS, W9

Most charming period house conveniently located for local shopping and transport facilities. 24 bedrooms, 2 reception rooms, 2 bathrooms, utility room, cloakroom, kitchen/utility room, office, study room, patio terrace. Freehold. TEL: 01 226 4682.

CHICHESTER OFFICE

WATERLOO POINT, SW11

Two prestigious riverside flats adjoining Albert Bridge. 2nd bedroom, double reception, 2 bedrooms, cloakroom, underground parking, porter, fully fitted kitchen, 124 year lease. £230,000.

Tel: 0945 870559

INTERNATIONAL PROPERTY



INVEST NEAR GENEVA

IN FERNEY-VOLTAIRE (FRANCE): RESIDENCE LES JARGILIERES

- High rental returns
French fiscal advantages
Architectural quality
Ideal location



Les Jargillieres, 21 rue de Genève, Ferney-Voltaire, France.

HELVIM FRANCE - 25, rue François Ier - 75008 Paris - Tel.: (1) 40 70 13 13.

Turkish Properties & Rentals



THE FIRST ESTATE AGENT OUTSIDE TURKEY SPECIALISING EXCLUSIVELY IN TURKISH PROPERTIES

RESIDENTIAL AND COMMERCIAL SALES OF PROPERTY AND LAND

REPRESENTATIVE OFFICES IN TURKEY

Head Office 57 Grosvenor Street, Mayfair London W1X 9DA

Telex: 23515 BREM G Fax: 01-629 2057

FENAU

DEVELOPMENT OPPORTUNITIES IN PORTUGAL

- Lisbon, exceptional 18th century palace on 11,000 sq m, site in the best residential area.
Lisbon, Art Nouveau house in the old district, 380 sq m, garden, garage for 4 cars.
Estoril, large ocean front villa, private access to beach, 1,200 sq m, site, modern complete refurbishment, could be divided.
Algarve, old castle with 120 hectares, 20 kms. from Faro airport.

LISBON OFFICE: Tel: 01-355 4068 Fax: 01-629 9544

EXHIBITION OF PROPERTIES IN SPAIN FRANCE

COSTA DEL SOL AND COSTA BLANCA, INCLUDING CLUB DE GOLF LA SILLA, DEMIA, JAVEA, MORAMBA AND SANTA POLA. PRICES FROM £250,000 TO £350,000.

ALPINE ATTRACTION Eleven spacious 3-bed/2-bath and 2-bed/1-bath apartments set in the idyllic mountain resort of Villars, just 1 hour from Geneva.

Ellis & Co. For further details send a brochure, contact with UK agents Ellis & Co. Tel: 01 795 0844 Fax: 01 724 0814

FRANCE - COTE D'AZUR - LA GAULDE, VENICE, GATTIERES. Several villas for sale in attractive town and country locations within 15 minutes of New Airport.

BEAULIEU WATERFRONT (Monte Carlo 15 minutes) with spectacular sea views to Cap Ferrat. A lovely aristocratic 'Belle Epoque' villa of 4200 sq ft with sub-tropical garden & pool.

NEW YORK CITY 50's off 5th Avenue MUSEUM TOWER CONDOMINIUM INVESTMENT PROPERTY

LA MANCHE PROPERTIES Northern France We can help English property buyers in France.

PORTUGAL - ALGARVE Well maintained villa on complex close to CARVOIRA. Lounge, patio, dining area, fitted kitchen, two bedrooms in suite shower room and bathroom. Roof terrace.

JOHN TAYLOR S.A. ON THE BORDER OF MONACO

LE GENTILHOMME A SMALL DEVELOPMENT OF PROVEN TOWN HOUSES with communal garden and swimming pool

SWITZERLAND Sale to foreigners authorized Lake Geneva & Mountain resorts

FORT LAUDERDALE FLORIDA U.S.A. Ideal vacation homes located right on the water that will accommodate up to 45' boat.

ORLANDO FLORIDA U.S.A. Six thousand square foot first class residence located on Arnold Palmer Bay Hill golf course.

TUSCANY Small high class hotel (28 rooms + possibility of building 30 more) in a delightful panoramic position

Superb Mountain Villa Situated 40 miles south of Valencia (Costa Blanca) Constructed 1988, built to very high standard.

Antenna at the Bay of St Tropez Our new project Village de Campagne.

PRINCIPALITY OF ANDORRA (A Tax Free Haven) EL REFUGIUM is a beautiful mountain village near to Canillo which is central between four of the best equipped Ski Resorts.

ON THE FRENCH RIVIERA PACIFIC ST. JEAN CAP FERRET In a lovely and unique place - South side, quiet - Sea from the beach.

CHARENTE MARITIME Riverside cottage in village, 10 yards river Charente, Antio route 10 miles, Sables 12 miles, Royan 17 miles, La Rochelle 40 miles.

PENTHOUSE ON CENTRAL PARK WEST, MANHATTAN Spectacular view of Central Park from your 2600 sq. ft. penthouse

LA MANCHE PROPERTIES Northern France We can help English property buyers in France.

PORTUGAL - ALGARVE Well maintained villa on complex close to CARVOIRA.

NEW YORK CITY 50's off 5th Avenue MUSEUM TOWER CONDOMINIUM INVESTMENT PROPERTY

PORTUGAL - ALGARVE Well maintained villa on complex close to CARVOIRA.

SWITZERLAND VILLAS FABULOUS CHALETS AND APARTMENTS BUILT TO HIGH SPECIFICATIONS

CAP FERRAT Compact/Designer built villa Lovely garden, swimming pool. Panoramic view.

FOR SALE IN THE CENTRE OF DEAUVILLE (FRANCE) a house on three levels in perfect condition with 400 sq.m. of living space.

SELLING A PROPERTY or business abroad? We can give you the best price for your property.

MADEIRA, GUADALUPE ALTA R Ocul Co Family houses in secluded gardens with pool, H.C.A.C. Excellent rental inc. Brochure 1/20 34 32 78 78 £200,000 o.n.o.

AMSTERDAM Overlooking Golf course and Mediterranean, 4000sqm, 1275,000. Gibraltar Company, Phone 01-436-2441

FOR SALE IN THE CENTRE OF DEAUVILLE (FRANCE) a house on three levels in perfect condition with 400 sq.m. of living space.

SWITZERLAND Sale to foreigners authorized Lake Geneva & Mountain resorts

FORT LAUDERDALE FLORIDA U.S.A. Ideal vacation homes located right on the water that will accommodate up to 45' boat.

ORLANDO FLORIDA U.S.A. Six thousand square foot first class residence located on Arnold Palmer Bay Hill golf course.

TUSCANY Small high class hotel (28 rooms + possibility of building 30 more) in a delightful panoramic position

Superb Mountain Villa Situated 40 miles south of Valencia (Costa Blanca) Constructed 1988, built to very high standard.

Antenna at the Bay of St Tropez Our new project Village de Campagne.

PRINCIPALITY OF ANDORRA (A Tax Free Haven) EL REFUGIUM is a beautiful mountain village near to Canillo which is central between four of the best equipped Ski Resorts.

ON THE FRENCH RIVIERA PACIFIC ST. JEAN CAP FERRET In a lovely and unique place - South side, quiet - Sea from the beach.

CHARENTE MARITIME Riverside cottage in village, 10 yards river Charente, Antio route 10 miles, Sables 12 miles, Royan 17 miles, La Rochelle 40 miles.

PENTHOUSE ON CENTRAL PARK WEST, MANHATTAN Spectacular view of Central Park from your 2600 sq. ft. penthouse

Business Property of 1 acre in. Cahais inc. fully equipped discotheque

MUNICH - GERMANY Real opportunity, 2 apartments, domestic/business use, city centre, quiet location.

CYPRUS 1989 CUSTOM VILLA In 12 unit British community. Pool & courts 280 sq. metres.

Your own suite in the SHERATON MARBELLA Unique opportunity to invest in a self-contained freestanding suite

COSTA DEL SOL properties. Marbella offices. For information and price list 01-620-3701

"SWISS ALPS" VERBIER Delightful gabled attic of 1 living room, 2 1/2 bedrooms and balcony.

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

WILMINGTON COVETAGE 2 1/2 hrs from Heathrow & 15 mins from Gatwick

AMSTERDAM AUCTIONS

HAMPTONS AUCTIONS AUCTION 1ST DECEMBER 1989 THE LONDON AUCTION MART

RESIDENTIAL AND COMMERCIAL PROPERTIES FOR INVESTMENT, MODERNIZATION, EMPLOYMENT AND OCCUPATION.

PRESTIGE Ground Floor Chelsea Court, Northwood, Middlesex Garage Investments. Double Court, Sublim, Surrey

RENTALS Landlords Allen & Co Property Services Central London Letting & Management Professionals

COVETAGES TO LET OXFORDSHIRE Delightful Cotswold village. 2 and 3 bedroom cottages.

TENANTS We are professionals in residential letting. We have a superb portfolio of first class central London properties.

JOHN STRAND RENTS FURNITURE Homeless? Independent? Cheap? Modern? In Bedfordshire? Call 01 485 8615

NEW YORK CITY 50's off 5th Avenue MUSEUM TOWER CONDOMINIUM INVESTMENT PROPERTY

LA MANCHE PROPERTIES Northern France We can help English property buyers in France.

PORTUGAL - ALGARVE Well maintained villa on complex close to CARVOIRA.

NEW YORK CITY 50's off 5th Avenue MUSEUM TOWER CONDOMINIUM INVESTMENT PROPERTY

PORTUGAL - ALGARVE Well maintained villa on complex close to CARVOIRA.

NEW YORK CITY 50's off 5th Avenue MUSEUM TOWER CONDOMINIUM INVESTMENT PROPERTY

To Advertise PROPERTY TO RENT Furnished lettings Company and Embassy Lets

COUNTRY PROPERTY JAMES CHASE TEL: HERTFORD 0932 501105

HERTFORDSHIRE MUCH HADHAM GLEBE COTTAGE LONDON 32 MILES

HERTFORDSHIRE OMEGA MALTINGS Superb 3 Bedroom Apartment on 2 levels

NEW VICTORIAN STYLE LUXURY APARTMENTS LITTLE VENICE, LONDON W9

Folkard & Hayward NWS Linc 2 Bed. 3rd Floor apart. Lifts and porter ETC.

LOCATION: CROWN LODGE BELYASSET STREET, SWS At Chelsea Green, selection of 2 bed, 2 bath apartments

CLUTTONS



COLLIER STREET
 Tonbridge 9 miles, Tunbridge 5 miles
 (Waterloo about 40 minutes)
 Originally a Grade II Listed 19th Century cottage with later additions.
 4 reception rooms, 5 bedrooms,
 Stable, tack room and outbuildings.
 1.5 Acres.
 Price Guide £315,000
FOLKESTONE OFFICE: (0303) 850422



BATHWICK HILL, BATH
 Fine detached Regency house in prime residential location with outstanding views.
 3 reception rooms, 5 bedrooms,
 2 bathrooms, 2 kitchens.
 Garage.
 Lovely gardens of 0.25 Acres.
BATH OFFICE: (0225) 469511



Occupying a quiet position off Chelsea Green, an excellent newly decorated apartment in this luxury portered block.
 2 double bedrooms, 2 bathrooms, drawing room, kitchen, lift. Private landscaped courtyard.
 Parking available.
 Lease 97 years. Price £275,000
CHELSEA OFFICE: 01-589 1122



BETWEEN SANDWICH AND DOVER
 Impressive country house with well proportioned rooms, standing in landscaped gardens.
 3 reception rooms, kitchen, 2 bedroom suites,
 4 further bedrooms and 2 bathrooms. Conservatory, outbuildings, garage. About 1.5 Acres.
CANTERBURY OFFICE: (0227) 457441



HADLOW
 Tonbridge 4 miles, Sevenoaks 11 miles
 (Waterloo about 45 minutes)
 A Grade II Listed 15th Century farmhouse with later additions standing in about 0.5 Acre.
 4 reception rooms, 6 bedrooms,
 2 other rooms, 2 bathrooms.
 Price Guide £320,000
FOLKESTONE OFFICE: (0303) 850422



LANGFORD
 Oxford 24 miles, Swindon 16 miles
 A substantial Grade II Listed farmhouse requiring some modernisation.
 3 reception rooms, 6 bedrooms,
 bathroom, attic rooms, cellars,
 domestic offices.
 Outbuildings.
 Gardens and paddock.
 About 5 Acres.
OXFORD OFFICE: (0865) 246611



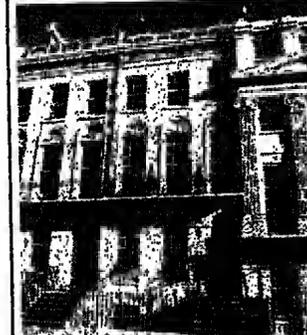
Haywards Heath 3 1/2 miles
 Grade II Listed farmhouse with superb open views to the South.
 2 reception rooms, study/5th bedroom, kitchen, utility, 4 bedrooms, bathroom, shower room.
 Outbuildings, stabling, barn. Potential gardens of about 9.4 Acres.
HAYWARDS HEATH OFFICE: (0444) 441166



COMBE DOWN, OLD VILLAGE
 Bath 1 1/2 miles
 Recently refurbished Grade II Listed Georgian house in quiet village location. Attractive gardens.
 4 reception rooms, kitchen/breakfast room,
 6 bedrooms, 2 bathrooms, cloakroom, double garage.
 Offers around £350,000
CLUTTONS BATH OFFICE: (0225) 469511
SAVILLS, BATH OFFICE: (0225) 444622



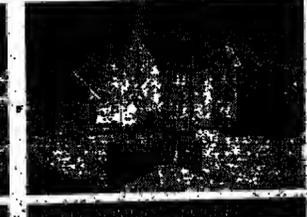
ASHFORD
 Ashford 2 miles, Tonbridge 10 miles
 (Charing Cross 60 minutes)
 Major part of a Listed 16th Century manor house standing in private gardens in excess of 1 Acre.
 Drawing room, dining room, breakfast room, kitchen, sun lounge, 5 bedrooms, 2 bathrooms.
 Double garage.
 Potential building plot in concealed garden.
 Price Guide £350,000
FOLKESTONE OFFICE: (0303) 850422



GATWICK
 Gatwick 22 miles
 Superbly renovated town house a short distance from the seafront.
 3 receptions, kitchen, utility, leisure room with sauna, smoking room and bar,
 2 shower rooms, morning room/5th bedroom, 4 bedrooms, 2 bathrooms,
 Patio gardens.
 Double garage.
HAYWARDS HEATH OFFICE: (0444) 441166



CARLTON LEAS
 The ultimate in quality apartments with the finest views on the South Coast overlooking the Channel and French Coastline.
 2 bedrooms, 2 bathroom apartments and 3/4 bedroom penthouses.
 Price Range £160,000-£350,000
FOLKESTONE OFFICE: (0303) 850422



BATH
 Bath 7 miles, 6 miles from Bath 1.5 miles
 Charming detached stone village residence dating from 16th Century. Fine position close to church.
 4 reception rooms, 4 bedrooms, 2 bathrooms, large self-contained annex. Former coach house/ambles, new stables, swimming pool, garden and paddocks.
 In all about 4.25 Acres.
 Price Guide £485,000
BATH OFFICE: (0225) 469511

127 Mount Street, Mayfair, London W1Y 5HA. Tel: 01-499 4155. Head Office: 45 Berkeley Square, London W1X 5DB.
 Also: Chelsea, Docklands, Kensington, Arundel, Basildon, Bath, Canterbury, Carlisle, Edinburgh, Folkestone, Harrogate, Haywards Heath, Leeds, Oxford, Wells, Bahrain, Dubai, Oman, Sharjah.

London JOHN D WOOD & CO. Country



SURREY - HAM
 Built for a Swanton General, a superb house with River views & versatile complex of excellent 19th century rooms, around a magnificent pool.
 6 beds, 3 baths, 2 recep, 37' lift family rm, conservatory, bar, 2 bed Cottage, garage with Studio Flat. Gervin & 50' swimming. Freehold £1,450,000
 London Office: 01-493 4195

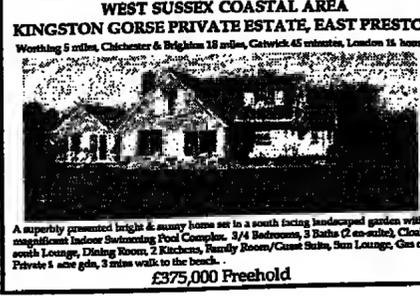


LONDON - CHESTER PLACE, REGENTS PARK, NW1
 An elegant Nash house, well presented with lovely views of the Park.
 5 beds, drive rm, 3 baths, 20' landscaped terr, dining rm, study, lift, 7th fl, cinema, only, C.H., parking (2 garages available separately). Crown Lease 99 years £285,000.
 Regents Park Office: 01-287 3287



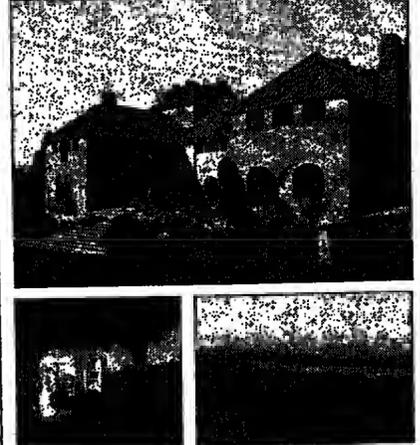
HAMPSHIRE-SURREY BORDERS
 Over 3 miles. Furnish 6 miles (Waterloo 20 miles) Hamshire 7 miles
 An exceptional newly converted house of great character in a beautiful part of Southern England.
 4 beds, 3 baths, 3 recep, family kit, chrm, family area, utility, sep WC, CH. Det double garage with lift, beautiful tree-lined garden with terr & area for tennis etc. Freehold.
 Farnham Office: (0252) 797115

PASCOE East Preston Office 0903 774239



KINGSTON GORSE PRIVATE ESTATE, EAST PRESTON
 Worthing 5 miles, Chichester & Brighton 18 miles, Gatwick 45 minutes, London 1 1/2 hours
 A superbly presented bright & sunny home set in a south facing landscaped garden with a magnificent indoor swimming pool complex. 3/4 Bedrooms, 3 Baths (2 en-suite), Cloak, south Lounge, Dining Room, 2 Kitchens, Family Room/Guest Suite, Sun Lounge, Gym ch. Private 1 acre gdn, 3 mins walk to the beach.
 £375,000 Freehold

MARYLANDS in HURTWOOD - SURREY



Marylands is situated in a commanding and elevated position on the slopes of a Surrey hillside between the picturesque villages of Shere and Ewhurst. From the house there are magnificent, far reaching views over the Surrey Weald to the south and south west.
 The house was designed by Oliver Hill (1887-1968) whose life and work were celebrated in an exhibition at the RIBA earlier this year.
 All the main rooms are of exceptional design and materials used inside the house include oak for doors and floors, with stone for fireplaces and door sills. Magnificent arched windows lead from the drawing room and the dining room onto the central screen terrace which features a charming pool. On the third side of the terrace is the loggia with graceful arches facing east, south and west.
 The lawn sweeps down from the front of the house to woodland glades and grassy walks.
 Accommodation comprises:
MAIN HOUSE: Reception Hall, Drawing Room, Library, Dining Room, Cloakroom, Spacious Loggia, Kitchen, 5 Principal Bedrooms, 5 Bathrooms, 5 Further Bedrooms.
ATTACHED STAFF COTTAGE COMPRISING: 1 Bedroom, 2 Bathrooms, 2 Reception Rooms, Cloakroom, Kitchen.
OUTSIDE: Ample garaging, swimming pool, heated outdoor swimming pool, mature garden, woodland, paddocks. In all, close to 200 acres.
 Cramleigh 5 miles. Guildford and Dorking en route.
 Substantial offer invited for the **TREEHOLD**.

BROWNS Winkworth



MATTINGLEY OIR £200,000
 Situated 10 miles from Gatwick 7 miles.
 An extraordinary 14th/15th century cottage in an idyllic setting on the village green.
 Impressive 31ft drawing room, 3 further reception rooms, 2 further bedrooms, 2 further bathrooms, 2 further bedrooms, 2 further bathrooms, shower room.
 Self contained flat, indoor swimming pool complex with sauna, garage, stable block, tennis court, gardens, paddock and woodland.
 ABOUT 12 ACRES
 London Office: 01-499 4785 & Sevenoaks Office: 0783 458000
Head Office: 15 Half Moon St, London W1.

A SENSE OF PLACE

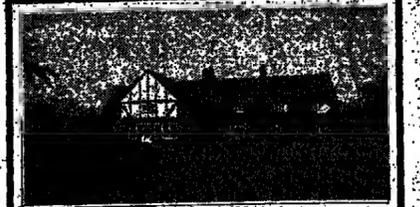
DUNKIRK MILLS
 Nailsworth, Stroud, Gloucestershire
 A UNIQUE RESTORATION OF A PERIOD RIVERSIDE MILL. LUXURIOUS 1, 3 AND 5 BEDROOMED APARTMENTS, PENTHOUSES AND COTTAGES.
 An 18th and 19th Century Cotswold stone woolen mill undergoing complete restoration whilst retaining its many period features and enjoying breathtaking views over the valley, river and mill streams. Close to M4 and M5. Amenities include Health and Exercise Centre with swimming pool, gymnasium and sauna.
PRICES FROM AROUND £70,000-£170,000
 Show Flats open Thursdays-Mondays 12 noon-5pm

COXES LOCK
 Addlestone, Heybridge, Surrey
 A PERIOD MILL ON THE BANKS OF THE WET CANAL. PROVIDING LUXURIOUS 2 AND 3 BEDROOM APARTMENTS.
 Originally a 19th Century flour mill. Offering wonderful views over a 50 acre mill pond. Swimming pool, sauna and gymnasium. Moorings available. Many features including exposed original brickwork and oak joinery.
 Close M25 (Junction 11).
 Prices from £147,500 to £285,000
 Show Flats open Wednesdays to Saturdays 10am-4pm (Telephone 0633 848588)

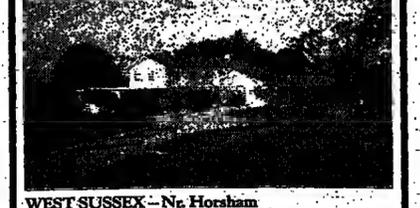
Lane Fox

KENT - NR WESTERHAM
 Sevenoaks 7 miles, M25 8 miles, London 25 miles, Bisho Hill Sevenoaks - London under 30 minutes
 AN OUTSTANDING TUDOR STYLE COUNTRY HOUSE in immaculate condition and surrounded by National Trust Land. Hall, 3 principal Reception Rooms, Billiard Room, Study, Kitchen/Breakfast Room, Cellar, Game Room, Dressing Room/Bathroom suite, 4 further Bedrooms, 3 further Bathrooms, Shower Room.
 Self contained flat, indoor swimming pool complex with sauna, garage, stable block, tennis court, gardens, paddock and woodland.
 ABOUT 12 ACRES
 London Office: 01-499 4785 & Sevenoaks Office: 0783 458000
Head Office: 15 Half Moon St, London W1.

SAVILLS



BUCKINGHAMSHIRE - No. Chalfont St. Giles
 Chalfont St. Giles 1 1/2 miles, Central London 20 miles.
 An impressive Grade II listed house dating from the 15th century with 60 acres of parkland in a peaceful secluded setting.
 Reception hall, drawing room, study, dining/setting room, sun room, domestic offices, cellar, master bedroom suite, 6 further bedrooms and 2 further bathrooms.
 Separate 2 bedroom cottage and garage block.
 All weather hard tennis court, heated swimming pool and granary, outbuildings including garden sheds, greenhouse and large field shelter.
 About 60 acres.
 Contact: Sarah Adams.



WEST SUSSEX - No. Horsham
 Horsham 3 miles, Victoria/London Bridge 50/55 minutes.
 A33/M23 3 miles, Gatwick 14 miles.
 A rare opportunity to purchase this luxurious modern home, lock, stock and barrel in the American style.
 4 reception rooms, 5/6 bedrooms, dressing room, 2 bathrooms, garage, indoor swimming pool complex, stunning landscaped grounds with views towards the South Downs.
 About 7 1/4 acres. Further land may be available.
 Contact: Paul Finnegan.

01-499 8644 20 Grosvenor Hill, London W1X 0HQ

John German

Wiltshire - Near Marlborough
 Wiltshire County Cottage in Allbound: 2 fls., 2 beds., with en suite bathroom, immaculate, exposed beams, open fireplace, 164 sq ft 14 - London 1 1/2 hours.
 John German 119, High Street, Marlborough Wiltshire SN8 1LL (0673) 5252

Full Colour Residential Property Advertising APPEARS EVERY SATURDAY
 Rate £44 per Single Column Centimetre.
 TEL CAROL HANEY 01-873 4657

COUNTRY PROPERTY

LONDON PROPERTY

STRUTT & PARKER

13 HILL STREET BERKELEY SQUARE LONDON W1X 8DL 01-629 7282



DEVON - South Hams, Totnes 5 miles. An excellent small residential agricultural and leisure property with a bank overlooking the sea...



RIVER SPEY

THE LOWER WESTER ELCHIES BEAT.

Aberlour 1/2 mile. Craigellachie 4 miles. Inverness Airport 40 miles. An attractive and productive Single Bank Beat, with 5 year average of 139 Salmon...

About 13 acres. As a whole or in two lots with vacant possession. Ref. 1EE11572.

STRUTT & PARKER

London Office. Tel: 01-629 7282. Fax: 01-409 2354. Edinburgh Office. Tel: (031) 226 2500. Fax: (031) 221 2508.

FINLAYSON HUGHES

Finlayson Hughes Inverness. Tel: (0463) 224343. Fax: (0463) 243234.



SUSSEX - Haywards Heath 7 miles (London Bridge & Victoria 47 minutes). An outstanding country house in an excellent position with superb views to the South Downs...



ESSEX - Elmton, Royston 7 miles. Cambridge 14 miles. Audley End Station 5 miles (London/Liverpool St 50 mins.). A magnificent barn conversion set in 1.5 acres on the edge of an unspoilt Essex village...



SUFFOLK - Kyson House, Woodbridge, Ipswich 8 miles. London's Liverpool St Stn. 85 mins. Occupying one of the finest riverside locations in East Anglia...



LINCOLNSHIRE - Stalby, Grantham 8 miles (HST to King's Cross about 1 hour). Stamford 12 miles. A1 2 miles. Peterborough 26 miles. A delightful, tastefully restored period cottage...



BELGRAVIA LOWNDES STREET, LONDON SW1

FREEHOLD DEVELOPMENT SITE A pair of prime freehold buildings currently with planning permission to construct 8 magnificent apartments.

\$2.9m Freehold For full details contact J.A. Callander

Callander Wright

London SW3 2QJ 01-81 8431

WESTMINSTER ON YOUR DOORSTEP

A new development of luxury one and two bedroom flats with only 50% now remaining. Situated close to Victoria Street and the Houses of Parliament...

Prices from £165,000 to £195,000. SHOW FLAT OPEN DAILY from 12 noon to 4 pm at 10 Abbey Orchard Street/5-9 Old Pye Street, Westminster, SW1.

CLUTTONS 127 Mount Street, London W1Y 8HA. Tel: 01-499 4155.

Monet House



Pied-à-terres in Pimlico from £99,000. And the first year's mortgage is on us.*

Close to Victoria station, this charming Victorian house built around 1860 has been lovingly reconstructed into eight superb one and two bedroom flats and maisonettes.

Named after the famous French Impressionist who spent a year painting near here, Monet House is located in one of London's most sought after and convenient areas.

The apartments are exquisitely appointed. Warwick Square Gardens and tennis courts can also be used. And residents' parking permits are available.

From just £99,000 the apartments are outstanding value for money. In addition, we will also pay your mortgage for the first year. An offer that should make quite a lasting impression.

The show flat is ready to be admired. For an appointment or brochure contact:

Christopher Laurence Ltd

100 Warwick Way London SW1V 1SD. Tel: 01-834 2425 *Offer based on our paying your first twelve monthly instalments on a straight repayment mortgage over 25 years.

R.J. & D.E. FOLKES

CONVEYANCING £170*

Sale/Purchase/Renewal/Mortgage/Residential Property Fee includes mortgage related work when we act for your lender.

*Plus VAT and Disbursements

61 Grosvenor Avenue, London W1Y 8LL

Tel: 01-840 0089/3333

SOLICITORS EST 1918

LONDON SW2

Attractive airy two-bedroom first floor flat, split level, open plan lounge & kitchen/diner, built in wardrobe. Features include marble floors, brass fittings, Gas C.I.L. No. underground & shop. £24,950.

Contact: 01 873 3095 (week), 01 737 1939 (even)

INTERNATIONAL PROPERTY

The COUNTRY PROPERTY AGENTS (0225) 313543

DAVIS MEADE & PARTNERS

MONKTON FARLEIGH (Bath 6 miles, Bristol 14 miles)

An exceptional period detached house of beautiful style with 7 bedrooms (including self-contained flat), 3 reception rooms, separate 3-bedroom coach house, IN GROUNDS OF 2 ACRES. OFFERS IN EXCESS OF £750,000.

DAVID MEADE & PARTNERS (0225) 313543

THE EUROPEAN PROPERTY EXHIBITION

A unique selection of prime property in Spain, Portugal, France and Italy

Apartments from £50,000 Villas from £150,000

VENUES

LONDON 30th - 31st October 1989 Hampton, 6 Arlington Street, SW1 10.00am - 7.00pm

CHESHIRE 1st - 2nd November 1989 Mere Golf & Country Club, Knutsford 10.00am - 7.00pm

Specialist advice available on financial, insurance and legal matters and on the UK property market

For further details, contact: Tina Newall, 6 Arlington Street, London SW1A 1RB Telephone: 01-493 8222

II HAMPTONS INTERNATIONAL PRIME FORCE IN FOREIGN PROPERTY

Daniel Smith Chartered Surveyors

JUST RELEASED SADDLERS MEWS, SW8



An exclusive development of seven 2 bedroom Mews houses close to Stockwell underground. PRICES £139,950 Freehold

191 Kennington Lane London SE11 5QS 01-735 9510

Knight Frank & Rutley



90 OFFICES IN 5 CONTINENTS

Jackson-Stops & Staff



Cambridgeshire, 12 acres Kingsholm 1 1/2 miles, St. Neots 7 miles, Bedford 11 miles (King's Cross or St. Pancras 40 minutes). A charming country house of Tudor origin in an outstanding elevated position, overlooking miles of open countryside...



Bucks/Beds Borders - TO LET Leighton Buzzard 2 miles (Euston 40 minutes), London 40 miles. A charming Victorian country house, recently refurbished, in a lovely rural setting with south-east views to the Chilterns...

Advertisement for Kingswood Court, Surrey, featuring a large house and the Prowling Homes logo.

Advertisement for Miller, featuring a large house and the Miller logo.

Advertisement for William H. Brown Residential, featuring a large house and the William H. Brown logo.

Advertisement for Spencers, featuring a large house and the Spencers logo.

DIVERSIONS/BOOKS



So near and yet so far... how the summit of Everest looked to the Final Challenge climbers before continuing bad weather forced them to give up

Everest has the last word

Climber Roger Mear describes how the weather beat the Final Challenge expedition

Rongbuk Base Camp, Mount Everest. It is 60 days since the Everest Final Challenge expedition unloaded itself from Chinese trucks onto the moraines on the north side of the world's highest peak. Sixty days in which we have seen our hopes to be the first to scale the north-east ridge hurried by snow that fell with monotonous regularity - brought by the tail of a monsoon that would not die - and then blown to oblivion by the early arrival of the winds of the jet stream that now roar seemingly without respite across the mountain.

whiteness. The great horizontal bands of rock that are the distinctive features of the north face, and the First and Second Steps set on the crest of the north-east ridge, were obliterated by a mass of snow. The daily falls left us wallowing knee (and sometimes hip) deep and continually buried our hard-won trail up the initial buttress leading to the ridge. The threat of avalanche was of constant and growing danger, brought home to us when three of our Sherpas watched with horror as the snow slope they had just ascended fractured along the line of their footprints and slid silently into the abyss. After Marcus Hittmair and I established camp 1 at 23,250ft (7,100 metres) in September and made a tentative push along the ridge in very deep snow, the expedition reached an impasse.

with it. Besides our attempt on the north-east ridge, 10 other expeditions this year have attempted routes established previously on the Tibetan side of Everest. The French, Rumanian, Italian and two Spanish expeditions gave the mountain their best and departed, leaving Japanese, Yugoslav, Chilean and two American groups who, like ourselves, clung to a last, forlorn hope that conditions could improve at the last hour. After negotiations with the two American north col expeditions, it was agreed that we should abandon further futile attempts on the north-east ridge and direct our energies towards the "easy" route attempted first by Mallory in the Twenties. Once the decision to abandon the ridge had been made, there was much talk (and not a little dreaming) of a fast last-minute dash to the summit up the "easy" route. But all plans came to naught with the arrival of the winds which, although soon stripping the mountain of much of its snow, prevented any progress above the north col.

rhage. Accordingly, I set out for the north col alone - an attempt that was brought to a covering end at 24,900ft (7,600 metres) in winds that proved unrelenting. Ironically, yesterday, although the winds were blowing here at the base camp, Everest stood hard, bright, calm and cloudless and Marcus Hittmair and Tim Gage made our last effort for the summit. They reached 25,500ft (7,800m) by evening. But the calm interlude had bedevilled them from the relative safety of the north col was over and, in rapidly-rising winds, they struggled to erect their tent among the tattered fragments of others abandoned by the French expedition. By first light the tent began to disintegrate and, with snow hissing through the rents and shouting to each other so as to be heard above the gale, they made the inevitable decision to descend. As I write, the tinkling of yak bells and the soft whistles and guttural cries of their Tibetan drivers heralds the arrival at base camp of all that was once advance base. We wait now for the arrival of the trucks from Lhasa that will carry us to Zangmu and the Nepalese border.

Searching for the future of Europe

Edward Mortimer discovers a rather puzzling 'intellectual'

EUROPE, EUROPE - FORAYS INTO A CONTINENT by Hans Magnus Enzensberger translated from the German by Martin Chalmers Hutchinson/Radus £14.95, 326 pages

LIBRARIANS throughout the English-speaking world must be scratching their heads. On which shelf does Europe, Europe go? Travel? Politics? Fiction? Or has the author invented a new literary genre? Hans Magnus Enzensberger is, according to the blurb, "one of Germany's, and Europe's, leading writers and one of her great public intellectuals." Neal Ascherson even guesses (in the New York Review) that he is "far the most widely-read living poet in the German-speaking world." So the English reader who discovers him, and I did, through this book is made uncomfortably aware of his own parochialism.

Discomfited doesn't stop there. Being a poet, Enzensberger specialises in ambiguity. You have the strong impression that he is saying something, probably something rather subversive, but he leaves you to decide for yourself what exactly it is. Yet, I should be very sorry to put any potential reader of the book by implying that it is obscure or difficult to read. Quite the opposite: there is nothing "Germanic" in that sense about it. This "great public intellectual" wears his greatness very lightly. He flits about Europe, head on one side, looking listless, jostling at first sight he seems merely to be giving us the jottings, plucked at random and unedited from his commonplace book.

He has a sharp eye, and an even sharper ear. He is also blessed with a beautifully fluent English translator (Martin Chalmers) and a dust-jacket, designed by Chris Miffitt, that catches the spirit of the book perfectly - attractive, mysterious, complicit, mysterious, redolent with a sweet

smell of decay which, if you inhale, is not quite so sweet after all. Enzensberger visits six European countries, spending apparently some weeks in each, between 1962 and 1986: Sweden, Italy, Hungary, Portugal, Poland, Spain. That is the order in the book but it is not chronological - the Spanish chapter is dated 1965 while Portugal and Poland are '66. Things are not as random as they may seem. Why is Spain saved until last? Possibly because he likes it best, or sees it as more hopeful than the others. The Spaniards, he finds, have done for themselves what the Allies did to Germany by demolishing its cities and partitioning it - broken with their past and become "utterly reasonable, hardly normal." What he is doing, it emerges gradually, is looking for Europe's future. Sweden is thus a fairly obvious place to start, but Enzensberger does not much like Sweden: the nanny state is too omnipresent and too many aspects of the past are quietly forgotten, in an eerie Orwellian manner. Italy is more seductive - to north Europeans, at any rate. It is so easy to get sentimental about the colour, the chaotic, anarchic vitality (Lankla-

ter's dono di coraggio). Enzensberger lures us up that garden path, teasing us for a little tour-investigation of comic writing-cum-investigative journalism of the mysterious disappearance of small change in the Italy of the 1970s; then he skips aside and lets us fall flat on our faces in the dung-hill, reminding us of the squalor and callousness that are the north-side of Italian individualism, so that "the Italianisation of Europe" ends up more nightmare than day-dream.

And so it goes on. Enzensberger likes to debunk, but he is as happy demolishing the self-denigration of intellectuals in each country as he is sneering at the sentimental ideas regurgitated by the tourist. Those with a high opinion of themselves, like Swedes and Poles, tend to come off worst. But no matter what in place for long - just when you think you are being shown the "real" Hungary or the "real" Portugal, it is tipped away; mercilessly revealing yet another layer of equally misleading "reality."

Until we come to the epilogue, the sea coast of Bobigny, an article from the New Yorker dated 2006. Enzensberger finds his own style and character to be the fictional author, an American ex-employee returning to Europe after 12 years' absence to see what has become of it. And what has? Can't he become a celebrity? In the 1970s, having been laid waste by a nuclear melt-down. The European Community has been rumbled as an unnecessary sham, and its Finnish president has retired to a log cabin where he tinkers with an old XK-100. Russia is preoccupied with Central Asian civil wars. East and West Germans cordially dislike each other but the Berlin Wall is a source of contention only for architectural and ecological conservationists. And the universities are so similar to those in the earlier chapters that one wonders suddenly if the whole book might not be fiction: an ingenious confidence trick. "Utopia? Revenge of Green Germany? Over Fortresses France? Ecotopia? the myth of unity as route to Weltmacht? Proof that the arch-fascist is willing to do anything for the sake of the above?" Read, and judge for yourself.

Simply, the funniest

NO LAUGHING MATTER: THE LIFE AND TIMES OF BRIAN O'BRIEN by Anthony Cronin Griffin Books £16.95, 260 pages

IT IS fortunate that a man of letters with first-hand knowledge of his subject and a deep, unflinching background in a depressing background assigned the unenviable task of producing this important biography. One shudders to think of the tedium that might have been inflicted by a glib academic. Flann O'Brien was a difficult, unobscure and often quarrelsome man, increasingly dependent on alcohol. His short, sad life was lived against a depressing background of a depressing background. This is so you do not scare off the turtles waiting for dark to come ashore and nest. Mother turtles are shy animals.

The real danger, however, is hotel development, which will destroy the very environment that brings them there. Debate rages, but there are two hints of good news for the turtles. First, the Akamas peninsula is likely to be declared a National Park. If it is, the park laws must have teeth. Second, the European Commission is supporting a pilot project of Friends of the Earth to promote agro-tourism around the Akamas. That means concentrating tourism in the existing villages, which are all well inland and promoting them as gateways to the wilderness. With no monster hotels on the beaches, the traditional human and turtle ways of living in west Cyprus will stay strong. But it is a fight to put this view over. Money beckons - and so do the turtles.

Department of Fisheries, Ministry of Agriculture and Natural Resources, Nicosia; Friends of the Earth (Cyprus); Moroni, Laraca (tel: 0433-2138); trips to the wild country north of Paphos. Exits Travel, Paphos (061-43800).

death in 1966. Brian O'Brien, the man behind the pseudonyms, was born in 1911, the third of 12 children of a tax inspector married to the daughter of a Straub shopkeeper. The large self-contained family seems to have been happy enough and spoke only Irish amongst themselves. Brian distinguished himself in the famous debating society at University College, Dublin, and went on to win a highly prized civil service post.

His father's sudden death in 1937 left him as the sole supporter of the household, with his literary activities confined to evenings and weekends, a fate he accepted uncomplainingly. He was a lifelong Catholic and eventually married a patient, tolerant woman called Evelyn who is still alive. The increasingly irascible tone of the Myles na Gopaleen column and O'Brien's undictable often drunken behaviour at work led to his "early retirement" from the civil service - or, as he put it, the sack. His much reduced pension meant that he was permanently short of money and had to turn his hand to all manner of "back work" as the joke was.

O'Brien is often compared to James Joyce, who greatly admired *Swim-Two-Birds*. They were associated with the same city, brought up in the

same religion and attended the same university, distinguished themselves in the same debating society, but there, as far as O'Brien was concerned, any similarity between them ended. His obsessive personal dislike of Joyce (whom he had never met, although he had about this) and his impatience with *Finnegans Wake* made him react by adopting a dismissive attitude to his own gifts in order to be different from Joyce. He chose to see himself as a competent all-round literary journeyman who also wrote novels rather than, like Joyce, someone who dedicated himself solely to his art.

Critical recognition came to O'Brien too late; alcohol had already ruined his health. He frittered whatever little creative energy he had on absurd projects like direct television scripts and an unfinished novel set mainly in America, which he had never been. Cronin was lucky (or unlucky) enough to spend many hours drinking with O'Brien and points out that "his self-doubt was extraordinarily deep," which goes some way to explaining why he gave up novel-writing for so long and took to drink. But this self-doubt was accompanied by an enormous capacity for combative defence of his more ludicrous projects, which must have made him the most infuriating of companions, drunk or sober.

It is greatly to Cronin's credit that he never once loses patience with such a difficult subject.

Alannah Hopkin

Words used, not abused

WATERHOUSE ON NEWSPAPER STYLE by Keith Waterhouse Viking £9.95, 272 pages

IN THE beginning was the word, and the word was "bunk." Not, mark you, the (slang) intransitive verb meaning to strike or hit, for we are talking tabloids here. "Bunk" in this context means "to engage in sexual intercourse." This is far too long and literary to fit in a *Sun* or *Star* headline, so "bunk" it became, by that curious osmosis from street slang to sub-editor to *Sun* or *Star* reader, and so on and so on. Not that there is a lot of bunking in Keith Waterhouse's admirable little volume, unless it is to point out how such catchwords rise and fall in popularity (see also "loadsomeness," "on yer bike," etc.). There are however, such gems as alliteration ("Binge kills boozey boss"), clichés ("and that's official!"), tautology ("a major disaster"), Rabelaisian ("SAS rub out IRA rats"), and the desperate cry of a lost cause ("If you win our lotto potto you can fly to somewhere hotter"). Most newspaper style books are just that: volumes of rules

and regulations for reporters and sub-editors to ensure consistency of spelling, abbreviation and so on. Waterhouse's book is much, much more. The original *Daily Mirror Style - The Mirror's Way With Words* is a 1,000 print run for *Mirror* journalists) was, as politician Roy Hattersley put it in a review, "A missal as well as a manual, a testament as much as a textbook." In its revised form, now (deservedly) published for the edification of a wider audience, it is required reading for anyone who would rather use than abuse the English language. Waterhouse starts with a cogent (and occasionally cringe-inducing) history of popular journalism, from the pioneering days of the *Mirror* and *Express*, via the early *Sun*, and

brings us back-up-to-date with the gleefully *Sunday Sport* ("Adolf Hitler was a woman"). Along the way, something strange and rather sad has happened. As Waterhouse says, there can be but one rebellion; everything that follows is merely revision. The Cudlipp/Beaverbrook popular journalism - transformed the BBC English, plumb-in-the-month reporting style; today's version is all too often only a cliché-ridden shadow, in which sex romps, shock probes, confessions of TV soap stars and Right Royal Romances (which may or may not have "reported" in Stedinger tabloids). Waterhouse appeals for a return to good, plain English, for a re-examination of "the stereotyped news values that encourage stereotyped writing - and stereotyped observation." It is a wonderful book - and that's official.

Andrew Anderson

The Mother Turtle

THE MOTHER TURTLE crawled up the beach in west Cyprus, dug a hole in the sand and laid 157 eggs. A member of the Lara Turtle Station watched her from a distance; next day he opened the nest and brought the eggs to the beach by the station, where he, too, dug a hole and covered the eggs (like soft-shelled ping pong balls) with sand. He set a cage on top and marked it No. 28.

Turtles are a threatened species in the Mediterranean. They must have quiet sandy beaches to breed. Destroy the peace, and the turtles go away never to return. It is tourism which brings hotels, bars, holiday villages and noise. In a familiar Mediterranean saga, the lonely beach with a solitary taverna in a very few years becomes another charter destination. Many get rich, but the turtles lose. They have left Side, on the south coast of Turkey, and Ayia Napa, in eastern Cyprus, as a direct consequence of development.

They would leave the remote, surf-washed beaches around Lara, north of Paphos, if ever hotels were built there. It is the last really wild part of the island, bordering on the equally wild Akamas peninsula. For thousands of years two types of turtle have bred on the sandy beaches of Cyprus: the green turtle (*Chelonia mydas*) and the loggerhead turtle (*Caretta caretta*) which has spines on its back. Like seals

Cypriots turn turtle



The green turtle of Akamas in Cyprus

and whales, turtles are by origin land reptiles that have "reversed" their evolution to live in the sea. Although they swim well and have no problem staying underwater, they come back on land to breed. They always return to the place where they were born, if it is still undisturbed. Every other summer the mother turtle comes ashore at dead of night, three to five times at two-week intervals. She digs a hole about two feet deep, lays around 100 eggs, covers them and returns to the sea. Sometimes she will come back to check the nest or sweep more sand over it. Seven to eight weeks later the babies pop out of the sand and head straight for the sea.

Planet Earth



How on earth do they know their is a marine life? Research shows they do not. What attracts them to the light of the sea. If they see a brighter light inland, they will dash off there instead. So they must have wilderness. Turtles and camping sites, tavernas, hotels or cars are incompatible. The Lara Turtle Project's task is to study, maintain and increase the turtles. That starts with many hours of sitting silently in the dark and watching. Where are they laying? Is she a mother we know? Will her nest be safe? They eventually decided to hatch the eggs nature's way - by burying in the sand, and protecting them with a cage. The hatching rate is a most credit-

able 75 per cent. The hatching rate for undisturbed nests is between 85 and 90 per cent. The station now releases about 4,000 babies a year, collecting some to rear in cages in the clear water of Paphos harbour. I saw both types there, from toddlers to 10-year-olds, chugging around. Their sex will be unknown until they are about 12 and start laying. Eventually they will be tagged and released, and surveyed to check that they do return to their native beaches. How then do we keep the beaches and hinterland fit for turtles? It is very wild Mediterranean coast, where the sandstone cliffs are scoured by the wind. The scrub is high and thyme and cistus fill the hot

dry air. This is where the turtles want to be alone. If you reach Lara (I had one puncture), you may not camp, light a fire for a barbecue, or stay on the beach after sunset. This is so you do not scare off the turtles waiting for dark to come ashore and nest. Mother turtles are shy animals. The real danger, however, is hotel development, which will destroy the very environment that brings them there. Debate rages, but there are two hints of good news for the turtles. First, the Akamas peninsula is likely to be declared a National Park. If it is, the park laws must have teeth. Second, the European Commission is supporting a pilot project of Friends of the Earth to promote agro-tourism around the Akamas. That means concentrating tourism in the existing villages, which are all well inland and promoting them as gateways to the wilderness. With no monster hotels on the beaches, the traditional human and turtle ways of living in west Cyprus will stay strong. But it is a fight to put this view over. Money beckons - and so do the turtles.

Department of Fisheries, Ministry of Agriculture and Natural Resources, Nicosia; Friends of the Earth (Cyprus); Moroni, Laraca (tel: 0433-2138); trips to the wild country north of Paphos. Exits Travel, Paphos (061-43800).

Gerald Cadogan

Country View

A deer life in suburbia

IT IS DIFFICULT to know the reasons why wild deer - red, fallow, sika and muntjac - have increased enormously throughout England since the Second World War, especially in the south. One can think of several reasons why exactly the opposite might have happened. Chief among these would be the disturbance factor - increasing human population, motorways, development of all kinds and intensive agriculture. Apparently, a suburban habitat suits roe deer admirably. South of London, the havoc wreaked by these in rose gardens is known only too well. Roe seem to be the worst offenders so far as young trees are concerned, either by eating their tops or reducing them to frayed and tattered sticks with their horns.

to district. In an area with which I am familiar, fallow deer will demolish young ash and wild cherry on sight. They are very fond of oak and quite like beech. Fortunately, they hardly touch the two staple conifers for that particular area, larch and Norway spruce. Of course, one can erect deer-proof fencing, but the cost is so enormous that, in normal forestry circumstances, it is not an option. Fencing against rabbits and hares is quite expensive enough. Apart from the sheer pleasure of seeing them, deer brings other more tangible benefits to land-owners. Deer shooting is a valuable asset

- much of it being done from a high-seat which, from the safety angle, is desirable or essential in highly populated areas. There is an increasing demand for venison. A fallow deer carcass will fetch about 80p a pound when sold to a game dealer. A wild fallow buck might weigh as much as 140 lb, a doe nearer 70. The great thing about wild venison is that it is almost entirely fat-free. It is also free of the steroids, hormones and other growth-promoting agencies that may be present in domestic red meat. Until quite recently it was safe to assume that UK venison was likely to be wild. One would certainly not be

slaughtered weight, and to save the cost of fencing. Under this system, deer are kept in sheds and fed on silage and cereal concentrates. Some people consider that keeping these semi-wild and sensitive creatures in restricted conditions is unacceptable and cannot be justified on the grounds of profitability. If, on health, ethical or gastronomic grounds, the consumer prefers to eat wild venison, and is prepared to pay a little more for the privilege, he should, surely, be given the opportunity of doing so. This can only come about if purveyors of deer meat are required by law to declare whether or not their venison is of wild provenance. Such mandatory regulation would be entirely in line with modern concepts of telling the purchaser as much as possible about the food he is being invited to buy.

Michael Stourton

BOOKS

The global village without a church

John Plender looks at some of the world's big-money players and their foibles

THE DEVELOPED world has turned in the 1980s to remarkably stable economic growth. Yet, the financial markets, by contrast, are in a state of neurotic frenzy.

THE MIDAS TOUCH: MONEY, PEOPLE AND POWER FROM WEST TO EAST by Anthony Sampson

supporting roles, is near-instantaneous. Yet, great chunks of the world's population are excluded from this non-global financial network built on information technology.

As John Reed, chairman of America's largest bank, Citicorp, remarks chillingly to Sampson: "There are 500 million people living on the edge of the world."

After the long economic boom, American entrepreneurs and Japanese companies flaunt their wealth as never before. Yet, we have created a global village in which there is no church and no parish pump.

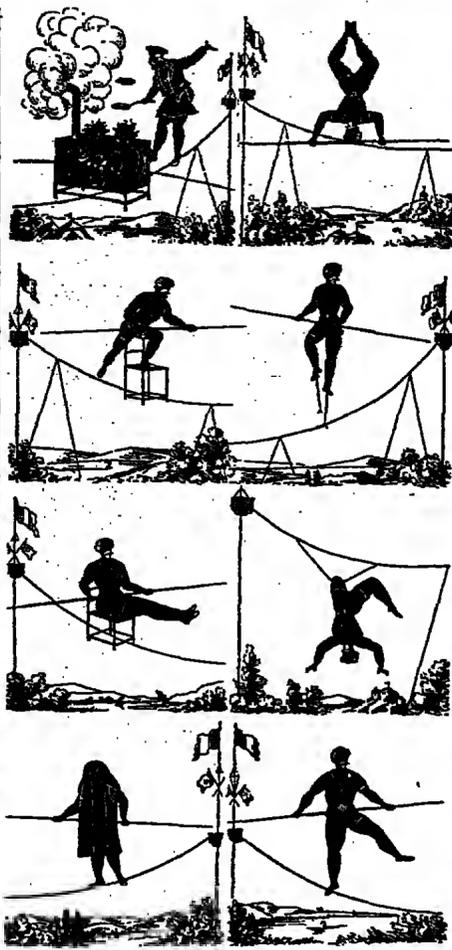
demned to export capital to the US. And he has little time for those who seek to wrap the growth miracles of Japan, South Korea, Taiwan, Hong Kong and Singapore in Oriental mystery.

The fun comes in the observation of human motivation and behaviour. When Sampson visits Donald Trump, the extravagant New York showman-dealer, he finds not the beaming face of innumerable publicity handouts but a sly individual who barks curt instructions down the telephone.

Then there is Sir James Goldsmith, the Anglo-French asset-stripper, who made money selling off vast forests for timber. The past 100 years, he assures Sampson, have been the greatest disaster the world has ever seen because we have destroyed the environment.

Money clearly does loom disproportionately large in the 1980s compared with the 1970s. Whether it confers as much power as Sampson thinks is more questionable. The Japanese may be powerful, but their trade surplus reflects an excess of saving over investment opportunities.

Lack of money, on the other hand, is another matter: it blights the lives of millions in Africa, Asia and Latin America. It is high time the Japanese helped to build a financial bridge between the economies of the First and Third Worlds with money rather than words.



Some of the exploits of the great Blondin (1822-1887), who crossed Niagara Falls on a tight-rope. This is one of many arresting illustrations in Herman Dornbush's 'The Tightrope Walker'.

Wrong about so much

THE BRITISH New Left cannot claim the 30-year retrospective which is this book's time frame, claim much success. It has produced several authors, some of them fine, but never had any appeal to the working class whose support it demanded.

OUT OF APATHY: Voices of the New Left 30 Years On edited by Robin Archer Verso £22.95 (paperback £7.95) 172 pages

Many of its leading activists, particularly Edward Thompson, played important parts in the anti-nuclear weapon movements, but these movements, too, failed in their aims because their demand for asymmetrical, unmediated arms cuts was rightly perceived as even more dangerous than nuclear stasis.

At the core of the problem, as Stuart Hall reveals in the keynote essay to this collection, was a terrible failure: that of making an equivalence between Stalinist communism and social democracy.

Many exceptionally sharp writers - Tom Nairn, Perry Anderson, Robin Blackburn, Stuart Hall, Raphael Samuel - employing a more or less Marxist framework, clustered around New Left Review (which itself maintained, and still does, high intellectual standards) and published an eclectic mixture of foreign and domestic Left analysis and theory.

Stuart Hall in an essay which seems ironic but is never critical, talks of the New Left view that "communism (or what we called Stalinism) was socialist theory which had lost the essential ingredient of humanity... social democracy was hardly better (or, a 'tarted up' version of welfare capitalism."

Early in the 1970s, Nairn rumbled the Labour movement's insularity and said - "I don't know how it got into an opposition to the European Community from which it is only now recovering. Anderson's claim, that Britain's unfinished bourgeois revolution left a capitalist class transmuted by earlier social formations, and thus unable to perform its function properly, is as forceful an explanation of commercial malaise as any put forward by better-known seers like Correlli Barnett.

It is now clear enough that socialism, if it is to be salvaged as effective politics rather than as an undefined moral absolute or a party label with little real content, cannot be found in revolutions, transformations or transcendent leaps, all of which explicitly or implicitly depend on a notion of class dominance.

It remains to be seen if the events of June will ever generate a fresh leadership which could use Guangdong's skills to reinstate a true reform.

In its place - the work is going on now - are efforts to assert what are the generally agreed features of a moral and sustainable society in which the education and welfare of all are a shared responsibility: the deliberate cultivation of a habit of citizenship, depending in turn on transparent, rational and accountable structures, the creation of which would necessarily entail a remoulding of the over-streained, anarchistic and inefficient constitutional and representative arrangements we have in Britain.

Colina Macdougall

Gillian Darley

Sylvia Plath: the conflict within

Rachel Billington reviews an "objective" biography of a tragic modern poet

ANNE STEVENSON announces that she is writing an "objective" biography of Sylvia Plath in which she will approach her primarily as a poet. Yet, the new and most emotional material about her comes from the pens of friends and relations of Ted Hughes who are talking about her behaviour as a wife, friend and writer.

BITTER FAME: A LIFE OF SYLVIA PLATH by Anne Stevenson Viking £15.95, 414 pages

In particular, Dido Merwin writes a brilliantly scathing portrait of doubtful taste, which forms the final appendix to the book. Her image of Plath as the spoilt, self-absorbed, kill-joy rings unforgettably true and makes, as is clearly the intention, Hughes seem almost saint-like in his seven years of loving tolerance.

was activated by Hughes' affair with another woman to produce the passionate and brilliant Ariel poems on which her reputation rests principally.

Tragically, poetry was no therapy for rage, which quickly turned against herself so that in February 1963, at the age of 30, she put her head in an oven and turned on the gas. She left behind her in the upstairs bedroom two children

Dying Is an art, like everything else I do it exceptionally well

I do it so it feels like hell. I do it so it feels real I guess you could say I've a call.

- from 'Lady Lazarus' (1965)

Another friend, Lukas Meyer, recalls that Hughes once told him that in the course of one morning working together in their flat, Sylvia called out to him 104 times. Olwyn Hughes, the poet's sister whose extensive contributions to the book "have made it almost a work of fine authorship," is known to be keen on correcting her sister-in-law's unrealistic golden girl/victim reputation. So here we have it: an "objective" portrait which is actually a defence of Hughes: an indirect attack on all the silly feminist hype (notably, Linda Wagner-Martin's foolish biography published here in 1988), and, inevitably, a severe judgement on Plath - if not as a poet, certainly as a woman.

Anne Stevenson identifies two Sylvia Plaths: one (for whom we see little evidence) who has "charm, humour, great gifts and huge capacity for affection," and the other who is a "complex, completely self-absorbed, stubbornly ambitious American whose outer shell of bright capability contained a seething core of inextinguishable fury." It was this fury that was at the root of her poetic energy and, ironically,

under three years old; a husband who had not thought himself estranged permanently from her and a mother, Aurelia Plath, whose obsessive relationship with her daughter was a - if not the - major relationship in Sylvia Plath's life.

This terrible ending, forecast often in her journals and poetry and attempted with near-success 10 years before, has contributed to her fame. Anne Stevenson who is a poet herself and a contemporary of her subject, is at her most assured when analysing the mental state out of which Plath created. She draws heavily on the journals in which Plath herself analyses her sense of guilt towards her mother and her reasons for both loving and hating this woman who had committed herself to a "lousy" life so that her daughter should have an ideal one.

After reading Freud, Plath identified her first attempted suicide as "a transferred murderous impulse from my mother to myself... Even so, to the last days of her life she was writing cheerful, loving letters to her mother (published in 1973 by Aurelia Plath under the title Letters Home). They should be required reading for any student of poetry or of family relationships. The picture Anne Stevenson builds up convincingly is of a woman as near schizophrenic as anyone can be who still functions at an everyday level.

A Latin master of poetry

MARULLUS: SOLDIER POET OF THE RENAISSANCE by Carol Kidwell Duckworth £25.00, 323 pages

DID YOU know that the word Argosy, so appropriately to the fore in The Merchant of Venice, derives from the word Argos? I did not. But one lives and learns. A great deal is to be learned from this book, a real addition to scholarship.

Renaissance Latin poetry is an esoteric taste. We should know much more about Marullus's striking career if only he had written an autobiography. As it is, Mrs. Kidwell has to build up the picture from the scraps intimated in his poems. The frontispiece gives us Botticelli's portrait of the man. We get the impression of intelligence and pride, a sardonic look, a very masculine figure. To this, the author adds his own speculation, for he was one of the flood of exiles (after the fall of Constantinople to the Turks) who brought new inspiration to Italy. But he was always educating himself and carried a Lucretius with him wherever he went.

The Encyclopaedia Britannica tells us that some of his emendations have entered into the traditional text. Not bad for a condottiere. That is how he earned his living and kept going - there was plenty of opportunity in the wars of the time. Early on, he seems to have penetrated as far as the Crimea and the sea of Azov. We learn how complicated is the history of these parts, of Moldavia and Wallachia, and of the Greek and Romanian resistance to Turkish expansion. But Italy was the main scene of his activities, both as soldier and poet. He surfaces among so many famous figures. A friend of Sanzauro, of whom we are glad to learn more from his Arcadia was the inspiration of our own Philip Sidney. An enemy of Politian, who was such a nasty man that even Lorenzo de Medici's kindly wife had to throw him out of the house. Marullus combined his love of fighting with literary friendships and the membership of the scholarly academies of Naples and Florence. His poetry was much admired by the Platonic in France, by Ronsard in particular who imitated a number of his poems. From these, his life has been excerpted skilfully by the intravidual author.

A. L. Rowse



American publishing tycoon Malcolm Forbes (right), in conversation with author Anthony Sampson

China in turmoil

LAST SPRING, China's Communist Party faced its biggest challenge since coming to power in 1949. Student pro-democracy demonstrations, sparked in April by the death of Hu Yaobang, the dismissed party leader, brought hundreds of thousands of ordinary people onto the streets of Peking demanding change. China's old guard was plunged in shame during what should have been its greatest triumph, the visit after 30 years of Sino-Soviet rift by President Gorbachev.

As we now know, it all ended in disaster. The hard-line reformers sent in the tanks, crushed the student movement and swung the ship of state from cautious reforms to old-fashioned clampdown and control.

Two recent books take a good and useful look at these events in Peking, others point in the background, especially the reform years from 1978. Even in the Chinese capital during April-June it was far from clear precisely what was happening. Marches, rumours, accusations, demonstrations - all served to confuse. Strife between the reformists and the old guard meant that for days, even weeks, the leadership seemed to vacillate and this certainly encouraged the students to believe they would win.

Ever more closely linked to the nearby Hong Kong economy, the province has grown faster than anywhere in China. Hong Kong also provided a window on the developed world where fellow Cantonese could supply managerial skills, investment and markets.

Michael Fishers and Andrew Higgins were both on the streets of Peking during the crucial periods. Their book, Tiananmen: The Rape of Peking (The Independent, in association with Doubleday, \$4.99, 148 pages), is a masterpiece of condensation of their own observations and the Chinese statements of the time. Analysis comes indirectly in sharp asides, irony, and brief descriptive "touches. It is instant history, perhaps, but impressively careful on detail.

Professor Vogel's book, One Step Ahead in China: Guangdong Under Reform (Harvard University Press \$29.95, 510 pages), was written in happier times when reform, especially in Guangdong province, seemed set to launch China into the modern world. Although now overtaken by events, the Guangdong experience has been crucial for China and could be so again if wiser councils prevail.

THE HISTORY and form of the towns of East Anglia must be crucial knowledge towards any understanding of those eastern counties. David Lloyd is an indefatigable town guide, in person as here on paper, and it would be difficult to wrong-foot him. With complete justification he has decided to include many villages which once had the status, as markets or ports, of focal towns. They include favourite places in Norfolk such as New Buckenham or Castle Acre, now small (if surprisingly elegant) villages but no longer with a market function; or Clay-next-the-Sea,

which ceased to be a port because of silting. More dramatic, although hardly visible on the ground, was the disappearance of Dunwich, on the Suffolk coast, which crumbled at an alarming pace into the sea. As Lloyd ponders, will the relentless erosion continue and drag Sizewell A, B and even C down to the same watery graves in a century or two? In contrast to the writings of

Colina Macdougall

Gillian Darley

John Lloyd

Anglian odyssey

HISTORIC TOWNS OF EAST ANGLIA by David W. Lloyd

the late Alec Clifton-Taylor, which were based upon his televised visits to the pick of English towns, Lloyd does not shut his eyes and grimace when the 19th century looms

Although Victorian and early 20th century development largely passed East Anglia by, compared with most parts of the nation, the author bestows accolades on Colchester's 1899 town hall just as readily as upon the glories of Saffron Walden.

This book provides a service by elevating the old, but less-known, towns of the region - such as Wisbech or Maldon - to take their places alongside the knowledgeable beauties of Kings Lynn, Bury St Edmunds or Thaxted.

OCTOBER BUSINESS BOOKS

- CURRENT APPROACHES TO COLLECTIVE BARGAINING Industrial relations in industrial countries... MULTINATIONAL ENTERPRISES AND SUBCONTRACTING IN THE THIRD WORLD: A study of inter-industrial linkages... WORKING WITH VISUAL DISPLAY UNITS Includes a summary of known health effects... GOVERNMENT WAGE POLICY FORMULATION IN DEVELOPING COUNTRIES: Seven country studies... INTRODUCTION TO SOCIAL SECURITY 2nd Edition (revised and updated), 2nd Supplement...

GARDENING

Outdoor living — inside

Lucia van der Post looks at conservatories and their many uses

CREATING a conservatory seems to have become the latest post-Thatcher occupation of the well-beeled classes although conservatories are not, of course, a new invention.

Robin Guillo's sumptuous new volume, 'The New Victorian Housebook', tells us that the history of protecting plants through European winters goes back almost 2,000 years and that, even in Pompeian times, translucent sheets of marble were used in frames.

But it was not until glass technology began to be developed during the Renaissance that conservatories as we know them began to appear. Their chief function then was to protect the plants that explorers and botanists were bringing back from far-flung parts.

Orange trees were one of the earliest to catch the eye of fashionable gardeners. These used to sit outside during the summer and then be ushered into the greenhouse or conservatory for the winter.

These days, conservatories are seen less as a way of preserving exotic plants than of providing extra living space. Few people who embark on building them need the extra room — the typical buyer is already well-housed — but they see a conservatory as a way to enjoy all the pleasures of the great outdoors with none of the inconveniences.

Inside their glass-lined world, surrounded by cool, green plants and a few colourful blooms, they have neither the trappings and claustrophobia of an indoor room, nor the wind and rain of the British climate.

Here, they are cocooned in a magical, timeless world; and there are few more enchanting ways of having a summer Sunday breakfast or a winter's dinner party than in a candle-lit, well-furnished conservatory.

Whereas conservatories are seen mostly as extensions of the sitting-room or kitchen, the uses to which they are put are almost endless. Increasingly, it seems, people who work at home plan a conservatory-cum-study. The more affluent might commission one to house a swimming-pool; others use them as play-rooms (taking care, of course, to have well-toughened glass), studios, art galleries, or second sitting-rooms.

For Londoners, a conservatory linking ground floor and patio, or covering a bland, flat roof terrace or balcony, offers a charming way of increasing floor space and number of rooms without involving vast expense or trouble. Unless you live in a listed property, or it has been extended already, you do not generally need planning permission.

You can spend as little as £3,500 if it is small and off-the-peg, or as much as £20,000 or £30,000 for a big country conservatory — and well over £30,000 for one large and grand enough to cover a swimming pool.

You can buy them off-the-peg or custom-made or something in between — that is, you can specify size and shape but have it manufactured from pre-constructed modular units.

Bartholomew Conservatories, for instance, will design one to suit your specifications; the parts are then brought ready-made to the site, so cutting down building time and labour costs.

Amdega is an old-established company — based in the north, but now with a southern office in Reigate, Surrey — which specialises in a traditional design based on the octagonal and rectangular conservatories made by the Richardson Company late in the 1800s.

It uses western red cedar, either stained for those who like a natural wood finish or painted with a micro-porous paint.

Although many of the conservatories Amdega builds are made from standard modular units, it does offer a choice of window design and other detailing. It also designs many one-off specials.

Town & Country Conservatories has no kits or modular units — each conservatory is designed individually by an architect. Most of them are in traditional mode, and the company seems adept at producing exceptionally attractive designs to blend with period buildings or settings.

It uses a combination of soft and hard wood with lots of classical detailing and period metalwork.

Regency Conservatories is another company that specialises in hand-crafted, individual, one-off designs. It, too, makes a speciality of taking great care over creating a harmonious whole between the conservatory, the house and the environment. Regency uses hardwood frames as well as some bricks and a wide variety of window styles.

The number of companies entering the conservatory market seems to increase daily, and the best advice I can offer to people considering buying one is to think clearly about exactly what they want. Just as prices can vary enormously, so can quality and finish.

Crucial to most people is how well the conservatory is integrated architecturally into the house and surroundings. A disastrously unsympathetic structure simply tacked on to an existing house does little either for the morale of the owners or for its re-sale value.

Matching style and materials is particularly important if you are thinking of using the room as a studio or workshop.

*£19.95, published by Sidgwick & Jackson on November 16.

Amdega is an old-established company — based in the north, but now with a southern office in Reigate, Surrey — which specialises in a traditional design based on the octagonal and rectangular conservatories made by the Richardson Company late in the 1800s.

It uses western red cedar, either stained for those who like a natural wood finish or painted with a micro-porous paint.

Although many of the conservatories Amdega builds are made from standard modular units, it does offer a choice of window design and other detailing. It also designs many one-off specials.

Town & Country Conservatories has no kits or modular units — each conservatory is designed individually by an architect. Most of them are in traditional mode, and the company seems adept at producing exceptionally attractive designs to blend with period buildings or settings.

It uses a combination of soft and hard wood with lots of classical detailing and period metalwork.

Regency Conservatories is another company that specialises in hand-crafted, individual, one-off designs. It, too, makes a speciality of taking great care over creating a harmonious whole between the conservatory, the house and the environment. Regency uses hardwood frames as well as some bricks and a wide variety of window styles.

The number of companies entering the conservatory market seems to increase daily, and the best advice I can offer to people considering buying one is to think clearly about exactly what they want. Just as prices can vary enormously, so can quality and finish.

Crucial to most people is how well the conservatory is integrated architecturally into the house and surroundings. A disastrously unsympathetic structure simply tacked on to an existing house does little either for the morale of the owners or for its re-sale value.

Matching style and materials is particularly important if you are thinking of using the room as a studio or workshop.

*£19.95, published by Sidgwick & Jackson on November 16.

Amdega is an old-established company — based in the north, but now with a southern office in Reigate, Surrey — which specialises in a traditional design based on the octagonal and rectangular conservatories made by the Richardson Company late in the 1800s.

It uses western red cedar, either stained for those who like a natural wood finish or painted with a micro-porous paint.

Although many of the conservatories Amdega builds are made from standard modular units, it does offer a choice of window design and other detailing. It also designs many one-off specials.

Town & Country Conservatories has no kits or modular units — each conservatory is designed individually by an architect. Most of them are in traditional mode, and the company seems adept at producing exceptionally attractive designs to blend with period buildings or settings.

It uses a combination of soft and hard wood with lots of classical detailing and period metalwork.

Regency Conservatories is another company that specialises in hand-crafted, individual, one-off designs. It, too, makes a speciality of taking great care over creating a harmonious whole between the conservatory, the house and the environment. Regency uses hardwood frames as well as some bricks and a wide variety of window styles.

The number of companies entering the conservatory market seems to increase daily, and the best advice I can offer to people considering buying one is to think clearly about exactly what they want. Just as prices can vary enormously, so can quality and finish.

Crucial to most people is how well the conservatory is integrated architecturally into the house and surroundings. A disastrously unsympathetic structure simply tacked on to an existing house does little either for the morale of the owners or for its re-sale value.

Matching style and materials is particularly important if you are thinking of using the room as a studio or workshop.

*£19.95, published by Sidgwick & Jackson on November 16.

Amdega is an old-established company — based in the north, but now with a southern office in Reigate, Surrey — which specialises in a traditional design based on the octagonal and rectangular conservatories made by the Richardson Company late in the 1800s.

It uses western red cedar, either stained for those who like a natural wood finish or painted with a micro-porous paint.

Although many of the conservatories Amdega builds are made from standard modular units, it does offer a choice of window design and other detailing. It also designs many one-off specials.

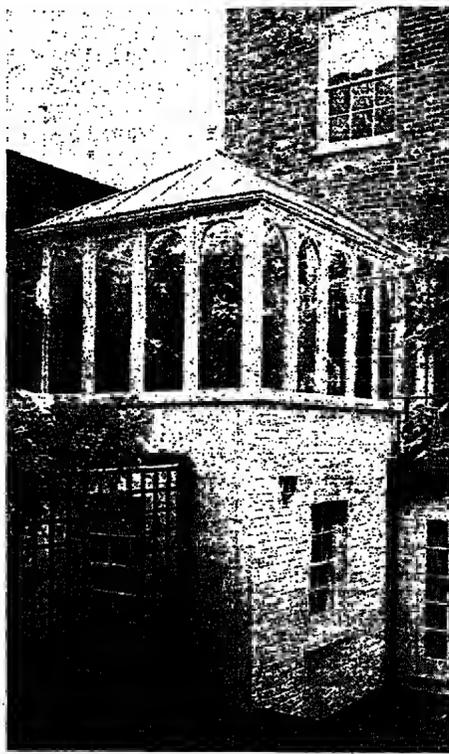
Town & Country Conservatories has no kits or modular units — each conservatory is designed individually by an architect. Most of them are in traditional mode, and the company seems adept at producing exceptionally attractive designs to blend with period buildings or settings.

It uses a combination of soft and hard wood with lots of classical detailing and period metalwork.

Regency Conservatories is another company that specialises in hand-crafted, individual, one-off designs. It, too, makes a speciality of taking great care over creating a harmonious whole between the conservatory, the house and the environment. Regency uses hardwood frames as well as some bricks and a wide variety of window styles.

The number of companies entering the conservatory market seems to increase daily, and the best advice I can offer to people considering buying one is to think clearly about exactly what they want. Just as prices can vary enormously, so can quality and finish.

Crucial to most people is how well the conservatory is integrated architecturally into the house and surroundings. A disastrously unsympathetic structure simply tacked on to an existing house does little either for the morale of the owners or for its re-sale value.



A conservatory for a small roof terrace in London, designed and built by Town & Country. Measuring 14ft by 12ft, it would cost somewhere between £10,000 and £15,000.

The value of gardening as group therapy

Robin Lane Fox has an idea to help pass a long, quiet winter

NOVEMBER is looming and country fanciers will once again be wadded out from country enthusiasts, or those with no alternative.

Whatever they all talk about — a London-to-country migrant asked me recently. She spoke with experience.

In the Dorset countryside, nobody spoke a word to her. Perhaps she forgot to mention planning permission, the one swift topic of conversation locally. Otherwise, the rural wall of silence is an odd complaint.

In the 1820s, according to William Cobbett, it confronted you everywhere unless you talked about game. Cobbett ought to have known. He had made rural rides around England; and on this very weekend, in 1824, he was protesting about the level of conversation in Hingham.

The talk was almost entirely about shooting, unless it happened to be about hunting; he reckoned that, between them, the two topics accounted for more than 90 per cent of the words exchanged in the English countryside.

The shooters, he realised, were the worst because they were the most selfish (their sport involved very few people, perhaps only themselves) and they told him. They exaggerated what they had shot.

One Hampshire gentleman even tried to cheat in Cobbett's presence by pretending to have brought down 100 partridges in October without missing one (he dropped the "hundreds" from his existing pile of dead birds and claimed that he had hit it, whereas Cobbett knew perfectly well that he had missed).

Hunters, at least, love to talk about each other and their mistakes. I do remember hunting with a man who claimed to have jumped a boundary hedge with the rest of us when we knew that he had gone by the road; admittedly, he was a visitor whose means of hunting had been revealed in Essex.

In this time, Cobbett noticed that hunting involved a huge undergrowth of rural interest, just as it still involves raffles, whist drives and parties which raise money from hordes of willing villagers so that a few farmers can have horses behind which they ride horses while the villagers block the roads by following them in cars.

What Cobbett missed, of course, was gardening. Even in the 1820s it must have been a primary topic of talk, and even in Dorset it can surely break the ice. We do not give it enough credit for its value as group therapy.

It is not the purest of pleasures as Francis Bacon described it quite often, it is pure hell. But it is the one pleasure which, although solitary, encourages everybody to talk about it, even if they hate it.

I ought to know because, all year round, people who are not doing it hold country quizzes in order to talk about it and persuade a gardening writer to fall to answer their questions.

Hour after hour, rural audiences will sit in half-heated halls in order to

listen to each other's impossible questions. In Dorset, too, there must be people whose onions have rust, whose crows have rusted to the final limit, and who need to grow something in deep shade under a yew tree.

I often wonder if *Gardening Question Time* started the fashion or if, as I suspect, it was only the final limit, and why this old rural art form you public speak on the air. I certainly set a new standard for the performance of amateur quiz-masters.

Here, then, is my tip for November. If it promises to be a long, quiet winter locally, and if you hate all forms of game, why not start your own gardening game show and break the season's ice?

It is amazing what people will tell each other in village halls. It was at a quiz that I first learnt an invaluable way of applying weed-killer to individual weeds in a flower bed: a member of the audience told me that she used old

under-arm deodorant rollers filled with diluted Tumbleweed.

I have even heard an amply-built lady tell an audience, in answer to a question about seed boxes, that she germinated crocus seed in compost in the cups of one of her old brassieres. The drainage, she said, was excellent through the cloth.

What people like best of all is when an "expert" is shown up. Not very long ago, a well-informed gentleman complained to a quiz audience that he had followed some old advice of mine on planting sweet peas in pig manure, and had killed the lot because it burnt them. He had, I think, made a mistake in the first place because it was a killing in which I admitted to killing them by trying the experiment.

Still, the audience took his word for it and was even more inclined to disbelieve me when the next questioner, a female, began her question by saying that she usually took me to bed with her on Saturday nights.

Awful possibilities floated through the minds and 100 tongues prepared to wag, but she went on to say, "And, of course, I take Arthur Hellyer, too, and I tend to him first."

We realised, then, that she was referring to the *Financial Times*, but it did wonders for rural conversation, proving that there is more game in the English village than Cobbett or casual migrants might suspect at first inquiry.

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

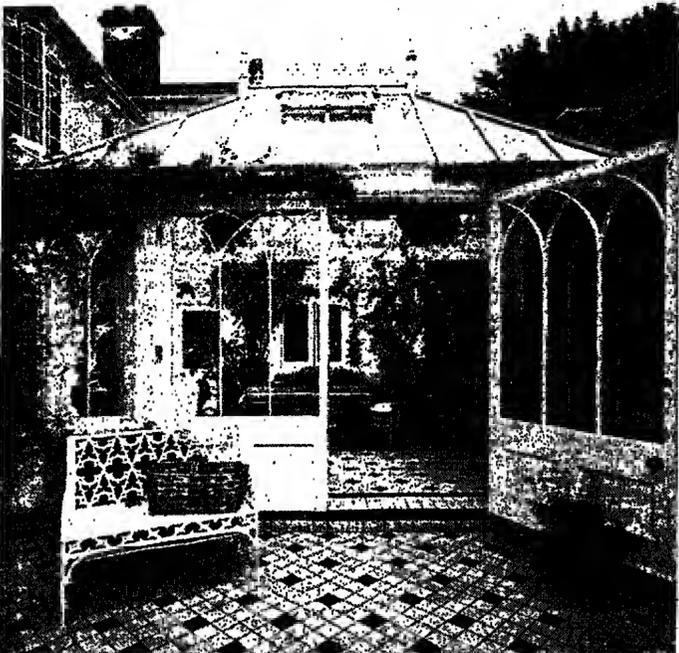
Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer

Arthur Hellyer



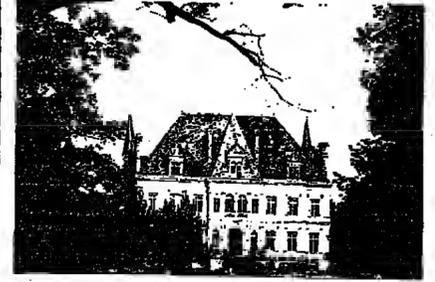
This conservatory by Marston & Langinger links three rooms of a villa in St John's Wood, north London. Measuring 17ft by 11ft 6in, it has large double doors. The period detailing metalwork on the roof and the "Gothick"-style windows — give it a mellow look that blends in beautifully with the surroundings.

Languages mean business

says the CBI, and even when the official language of a project is English an ability to understand what is being said around you and to socialise with your colleagues is essential for success. Verbal communication skills will be primordial for maintaining effectiveness in the Europe of 1992. These are the skills we concentrate on at CIEL. On a 7-day intensive residential French course using the BB (Bilingual-binomial) method you will find yourself paired each day with a different member of the Francophone group who are learning English at the same time as you are learning French. These groups are small — a maximum of 6 for each language, and the two groups will be at the same level: Elementary, Intermediate I, II or Advanced. Each group has its own tutor, and the day is divided between language work in your own language group, and communication activities when the two groups work together. You may find yourself having lunch with a senior member of a French firm, perhaps in your own line of business, who happens to be your «BB» partner that day. This face to face communication between friends is

the best way to break down those effective barriers which impede progress. The BBC came to film us for their «Business Matters» series. They called the programme «Does Anyone Here Speak English?», but as we are based in the Dordogne it is, of course, French that you will hear all around you. Writing in the Times Educational Supplement, Josephine Gardiner wrote «At first, the course appears highly structured: 80 hours of working time, every minute of the day accounted for — but in reality the structure is only there to provide contexts that make communication inevitable. It's very flexible.» Andy Anderson asked in the FT «Does it work?» and answered «After seven days I was still far from reading *Stevie* in the original, but my vocabulary and pronunciation had improved immeasurably, my once shaky grammar was now on firm foundations and, above all, my confidence had improved a thousand-fold.» That confidence is the key to success, and the guarantee that for you, too, Languages can mean Business.

Hamilton MILLS



CIEL offers courses throughout the year, from Saturday to Saturday, in four stages: Elementary (for those who studied French at school but have no working knowledge); Intermediate I and Intermediate II (good working knowledge); and Advanced. It also offers a three-day course for total beginners. The fee is FF 8,900 (about £ 850). This includes all tuition, accommodation in single or double rooms, usually in chalets in the chateau grounds, three

meals a day and wine with meals. The chateau has a bar, gymnasium, swimming pool, tennis courts, Californian fitness track and bicycles for exploring the countryside. Chateau Valouze is in the Dordogne 40 miles from Bordeaux, the nearest airport. The nearest station is Libourne. CIEL can arrange transfers. Further details from CIEL, Chateau de la Valouze, BP 18 24490, La Roche-Chalais, France (tel. 53914428; fax. 53914880)

When predators aren't pests

PREDATOR and parasite sound ominous; but when they apply to organisms which attack one's enemies; the reaction their names provoke can be quite different. Gardeners have always appreciated the activities of some natural predators in their garden: the birds which live on insects, many (but by no means all of them) harmful to plants; the moles which burrow industriously in search of leatherjackets and other creatures living in the soil (although they also devour worms, which could be regarded as an unfriendly act — except by green-keepers); toads, grass snakes and hedgehogs among the larger creatures; and insects and smaller creatures such as ladybirds, lace-wing flies, hoverflies, Ichneumon flies, some ground beetles, centipedes and spiders.

These are all seen as variously useful and, therefore, to be encouraged rather than destroyed. Much of the objection to pesticides has arisen because of the damage some can do to useful organisms such as these.

In recent years, spurred on by the campaign to produce a safe and more stable environment, there has been a search for exotic predators not found wild in Britain but capable of living in the UK under certain conditions — so adding to the gardener's armoury of what are sometimes called "natural" methods of pest and disease control. It is by no means certain, however, that a living organism introduced to an alien environment is necessarily more natural or safer than a chemical which cannot reproduce and so, possibly, get out of control. Nevertheless, there have been some striking successes, notably with control of the glasshouse white fly by a small insect named *Encarsia Formosa*, found in some tropical places. More recent, and perhaps more significant, is the remarkably good use that has been made of one mite that kills another mite — a case of setting a thief to catch a thief. The predator in this case, with the difficult name *Phytoseiulus*, is a native of Chile and



its victim is the glasshouse red spider mite, which thrives in Britain when temperatures are high and the air is dry. These exotic predators are let loose when conditions are right and there is sufficient of their favourite prey to enable them to breed and multiply rapidly. The difficulty is that as the prey diminishes in numbers, so do the predators, until some kind of balance is reached. Often, this balance can be quite satisfactory to the gardener or grower, but not always. Some of these difficulties were considered recently in a day-long seminar held by the East Malling Research Association. One of the biological control methods discussed was a virus which can infect some caterpillars with a fatal disease. The virus, CpGV, was discovered in California in 1963. It attacks a small range of closely-related caterpillars, including those of the codling moth which do a vast amount of damage in British orchards to ripening apples.

This has always been a difficult pest to control because the female moth lays her eggs singly, each in the eye of a young apple. As soon as the caterpillar emerges, it eats its way into the core of the fruit where it is safe from birds, pesticides and almost anything else — except CpGV. The snag, however, is one that is a great deal more serious for the commercial fruit-grower than the home gardener. The virus takes several days to kill the caterpillar, which gives it time to start burrowing and make its mark on the apple — rather like a

schoolboy carving his initials into the young bark of a tree. The tiny scar grows bigger as the apple swells and makes it unacceptable to an ever-more demanding public. True Greens will not mind in the least, since the scar is superficial and in no way impairs the size or flavour of the apple; in fact, they probably would regard it as a mark of virtue, indicating that no chemical control had been used. Yet, unless there is a demand from commercial food-growers for this virus, it seems unlikely that it will become available for use in gardens. This is surely a case where some of the environmental-orientated garden suppliers should step in and see what can be organised. Nevertheless, they should be warned that there is a slight difficulty. CpGV without a caterpillar to infect dies almost as quickly as a caterpillar that has been infected with it. If exposed on an apple tree for a few days, the virus will lose all ability to kill; and so, since no-one can be certain when the caterpillar eggs are going to hatch, several applications of the virus spaced out over a few weeks during June and early July are likely to be necessary. The quantity of virus used is unimportant, as the amount required to infect caterpillars is infinitesimal. It does mean more spraying, however, as that is the way the virus is applied. It also means that supplies of fresh virus must be available throughout the early summer period. That could be the insurmountable obstacle to what otherwise appears the ideal solution to a very difficult problem for amateur fruit-growers.

Arthur Hellyer

REGENCY CONSERVATORIES Specialists in period-style and modern buildings for the home, garden and swimming pool... individually-designed and hand-crafted in hardwood. Nation-wide service on residential, hotel and leisure developments. Gulf House, 370/372 Old York Road, London, SW18 1SP. Tel. 01/874/3900

BARTHOLOMEW CONSERVATORIES A conservatory should be planned properly, designed beautifully and put together perfectly. Just like our brochure. Bartholomew conservatories are for people who are prepared to pay a little more for a thoroughly professional job, from start to finish. Our years of experience and emphasis on careful planning and design, make our brochure essential reading. If you would like a copy, wherever you live, just ring Jackie Savage at our head office, on 01-785 7263 or post the coupon below. The Bartholomew Conservatories Ltd, 277 Putney Bridge Road, London SW15 2PT. Please send me the Bartholomew Conservatories colour brochure. Name: Address: Postcode:

HOW TO SPEND IT

'At home' with a great chef

Lucia van der Post visits Michel Roux to see the kitchen of his Berkshire cottage

FOR MOST of us the desire to peep into the private kitchen of a great chef is more than just prurient curiosity, it is also an opportunity to learn. When food is your business, the chances are that the kitchen, even in your own strictly domestic domain, has to be more than just another pretty place. People who care about food and its preparation don't lower standards simply because they've shut their own front door.

So when leading chef Michel Roux asked John Lewis of Hungerford, a nearby kitchen company, to build a pristine kitchen for him in the cottage he and his wife, Robin, share next to The Water-side

Inn at Bray, in Berkshire, it seemed a good chance to see just what sort of kitchen a professional chef chooses for himself.

First and foremost Michel Roux wanted a serious working environment. He wanted it solidly built to last. "A friend in the design world who knows everyone gave me a list of various names and companies and I approached several of them completely incognito. I liked John Lewis' approach. He came to see me himself and took great care to listen to what I wanted and to bring my dreams alive. I don't like follies - or not in the kitchen. I like things which are simple, practical and serve their purpose. I wanted something

that would be easy to keep clean as I am fanatical about cleanliness. I wanted it to be light and white as I like a bright airy kitchen and I wanted a cool surface.

The result is a kitchen that at first sight looks remarkable in its simplicity. No fancy nooks and crannies, no twee little *faux rustique* panelling or any other decorative *fol de rila*. No rucked blinds or rag-rolled cupboards - just clean white lines, as white as his starched chef's clothes. Shelving and cabinets were specially adapted from a standard solid wood John Lewis range - Drummore Castle - but were painted bright white and the solid brass hinges were given a silvered

finish. On the floor are 18in square white industrial tiles. There are lots of open shelves for pots and pans to be snatched and put back at top speed. All the white painted shelves have been given a protective sycamore edging. There is not a great deal of storage as Michel Roux likes to buy *selon le marche*.

All the working surfaces are made from a marble-like material called Corian which Michel Roux loves. "Even the sink is made from this marble and it means all my vegetables can be kept cool so they don't get tired and stay crunchy. I asked for a very big sink so that I can *refraischer* the vegetables easily and don't have to fiddle about doing it in batches."

There's a classic wooden island unit for food preparation. The frame and legs are sycamore and the top surface is divided into an end-grain maple side for cutting meat (he is very careful about avoiding cross-contamination of flavours and uses small chopping-boards for dealing with food such as fish, onions or garlic) and Corian for making pasta, pastry or bread. There's a stainless steel slot for his essential knives - mainly knives he's had for years. Sabatier and Solingen. "At least two-thirds of my knives are between 15 and 20 years old and they go everywhere with me. I always go for steel blades which last a long time."

When it comes to equipment he is, he says, classical in his approach. "I like very high-quality equipment but not too many gadgets. I chose a Paul Bocuse cooker from the French company of Rosières which has two ovens and five burners one of which is high speed." One of the ovens is a convection one for potteries, soufflés and the like while the other is a conventional oven for roasting, poaching and day-to-day cooking.

"The good thing about having two ovens is that if you don't need both for cooking you can use the second one for heating plates or for slow-cooking some meringue," says Roux. The refrigerator and freezer are also supplied by Rosières and are built-in. Saucepans are stainless steel with copper-strengthened bottoms. He keeps a few traditional copper pans for making sauces.

He's not keen on kitchen gadgets. "I do things the traditional way - some gadgets are serious but at least 75 per cent of them are rubbish. In all my kitchens I always have a Robot Coupe. It is like another person - it chops, makes mousse, it does everything. I don't have a pasta machine. I am an old fox who prefers to make his



Michel Roux on the block



Clean and simple lines in an airy working area

Tracey Thompson

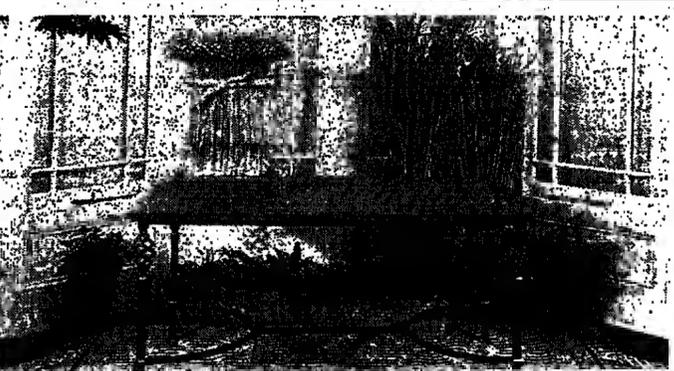
own pasta but I have seen some that do make marvellous pasta.

"I also have a little Hobart mixer - it whisks and it makes dough. Then I have a most wonderful ice-cream machine (La Gelateria) which makes proper fruit sorbets - I just buy fruit, press and sieve it and put in the machine. People use too much water - my sorbets are just pressed fruit and they taste wonderful. If I am in my house in the south of France at this time of year I just go to my vineyard and pick some eating grapes, put them through a sieve and into the machine and there you are."

Though it is no good pretending that Michel Roux's kitchen is cheap (a similar kitchen would cost roughly £30,000) it is the high quality of its equipment - the French double-oven, the stainless steel

canopy, which houses the extractor fan, the custom-made food preparation unit and so on - which puts the cost up. There are lots of ideas there that any cook thinking of revamping her surroundings might do well to think about - the island unit with the two different surfaces for preparing different foods, the Corian working surface and sink, the open shelving for easy access and so on. Perhaps most interesting of all is that here we have such a simple, clean-lined, yet professionally planned kitchen - a kitchen for the serious cook of the 1990s?

John Lewis's main office is at Unit 2, Limbrough Road, Wantage, Oxfordshire, OX12 9AJ. Tel: 02357-68868. He has five shops, one each in Hungerford, Henley and Bath, and two in London, including one in Liberty of Regent Street.



IF YOU already have a conservatory - and those who haven't should consult the facing page - you may be looking for some accessories with which to furnish the

place. Town & Country Conservatories has opened a conservatory shop at 8 and 9 Murray Street, Camden, London NW1. It is full of

temptations, the essentials and inessential for conservatory living, the magic touches to give it charm and atmosphere.

All the pieces are shown in two specially-built conservatories so that you can gauge how they would look in situ. There are antique chandeliers hung with crystal, terracotta, large citrus trees and traditional English willow loungers.

There are small flowerpots for as little as £1.50 and there are wall fountains made to order at several thousand pounds a piece. There are tiles, lanterns and special antique one-offs that you won't find anywhere else. You don't need a conservatory to find the things beguiling - many would look good in halls, on patios, balconies or terraces.

But if your conservatory is currently looking a little less lush and well-furnished than you'd like this is a good place to start searching.

Shown in the photograph above is a table of sturdy slate and steel designed by Richard Hinditt, who buys and designs special items for the shop. Measuring 2ft 7in by 4ft 7in, it costs £950. On it is one of a series of decorative wheatsheaves in a terracotta pot - this one costs £145 and though this sounds a great deal they do last.

FOR AROUND £1,400 you, too, can catch your death of cold. Yves St Laurent, who has reigned supreme over Paris fashion for many a long year, and who gave us the immaculately cut tuxedo suit, the safari-suit, and divinely-cut little jackets, this week gave the fashion press something new to think about.

He showed a series of warty-draped Grecian-style evening gowns which were split to the waist and (shock! horror!) left one breast totally exposed.

So much did he give the fashion press to think about that most of them gave up the arduous process. "What did it mean?" asked *Suzi Menkes* in the *International Herald Tribune*.

Gail Rolfe, of the *Daily Mail*, wondered whether it was a joke, an insult to women or a serious sartorial statement? Liz Smith, of *The Times*, played safe and gave us the sober news first, heading in on "the enduring timelessness of St Laurent's signature style" before venturing the opinion that "it was clear St Laurent intended to shock."

Over at St Laurent they can't see what all the fuss is about. "It is," they say loftily, "a definitive statement of a one-shoulder dress. It was a great fun, a runway statement, it made wonderful theatre but in real terms you and I would pull it up across the bust." But they, too, are left with a little nagging doubt. "Could it be," they ask, "the return of the bosom?"

My advice? Follow the hot money - into central heating and beam-fixing creams.



The status symbol for your top pocket

MONT BLANC - particularly the Meisterstück - has been the pen about-town for the last decade. Challenging it for pole position in top pockets is a new arrival on the UK scene - though its origins way back in Hanover, West Germany, are more than 150 years old - the Pelikan. It relies on much the same archaic imagery as the Mont Blanc but has a highly efficient ink-fed mechanism well-hidden in antique-looking cases.

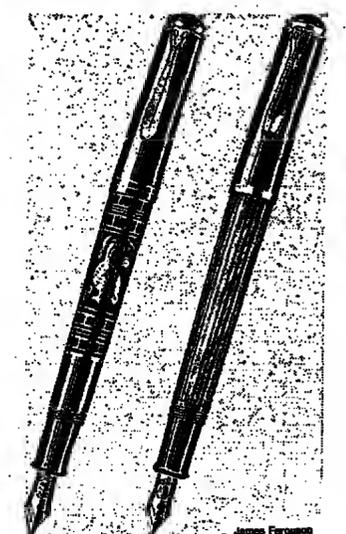
Sketched, near right, is the pride of the Pelikan clan - the Toledo. Each barrel is handcrafted and decorated with silver overlaid by 24 carat gold. The finely-chased nib is of 28 carat gold.

It comes with a price tag of £425 - enough to make even the Meisterstück, at around £120, seem cheap.

Sketched far right is the Souverän which sells at £150. The first Souverän, with its distinctive ridged green/black case was made in 1928.

These days the appearance has hardly changed but the innards are all up-to-date as you could wish. All Pelikan pens offer a choice of eight nibs. Left-handers who buy them from Mansfield, 30-35 Drury Lane, London, WC2 (mail order available for £3 to cover postage and packaging) can have the nibs altered free of charge.

The pens are also available from most good pen shops and stockists.



James Ferguson

Your chance to do a good turn

IF YOU feel that this Christmas you'd like to do something more than guzzle food you could do without - and exchange presents you hardly need - you might like to think about offering a temporary home to an overseas student during the holiday period.

To be alone, far from home in a foreign country, makes Christmas for many students more of an endurance test than a pleasure. Host is a charity, set up by the Foreign Office, the British Council and the Victoria League, which aims to introduce overseas students to British people. Each Christmas Host looks for friendly people to welcome students into their homes for a few days over Christmas.

Host offers a small contribution of £5 per night per student and if you feel able to help contact Host at 18 Northumberland Avenue, London WC2N 5BJ. Tel: 01-825-2565. Last year the organisation found homes for nearly 1,000 students.

How to give chairs a facelift

INFINITELY quicker and cheaper than reholstering a shabby chair or sofa is to put a dashing length of fabric around it. Early's, of Whitney, Oxfordshire, has started marketing an idea from the Italian firm of Bessetti - the grand-father. This is a household version of a scarf - a quick and ingenious way of giving new life to furniture that is past its best. There are ten designs in various colourways and they all come in two sizes - 270cm x 270cm or 180cm x 270cm. They cost £39.95 and £49.95 each - a large chair

may well need two. At the moment they are on sale at Harrods and Peter Jones but they will shortly be going into a wide range of good household stores.

Since Heather Farnborough's article a few weeks ago on childproofing the house readers have been wondering how to get in touch with Childproof, the company Heather consulted for her own home. Virginia Darley, who runs Childproof, can be contacted at 84 Wollington Road, London SE27 0RQ. Tel: 01-761-3895.



SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.

A Monument To The Art Of Watch-making

A World First. Blancpain presents the exclusive ultra-thin automatic chronograph with split-second hand - one of the masterpieces in watchmaking history.

Blancpain is a member of the Swatch Group. Blancpain is a member of the Swatch Group. Blancpain is a member of the Swatch Group.



CORNWELL PARKER
fabrics · furniture

BRANDS OF STYLE AND STRENGTH

G.P. & J. BAKER
FABRICS & WALLPAPERS

Parker Knoll
FURNITURE

LOCK OF LONDON
REPRODUCTION FURNITURE

MONKWELL
FABRICS & WALLPAPERS

nathan
CABINET FURNITURE

Parkertex Fabrics
FABRICS & WALLPAPERS

K. Raymakers & Sons
VELVET MANUFACTURERS

For a copy of our Annual Accounts please write to Martin Jourdan, Chairman, Cornwell Parker plc, P.O. Box 22, Frogmoor, High Wycombe, Buckinghamshire HP13 5DU.

Name _____
Address _____
Post Code _____

ST. JOSEPH'S HOSPICE
MAREST. LONDON E8 4SA
(Charity Ref. No. 231323)

Since 1905 we have shared the grief and eased the pain of countless suffering souls.

Last year almost 900 found peace with the help of your vital gifts. Most of them died of cancer - but so secretly that you would hardly know.

Your concern is as encouraging as your generosity and we thank you for your inspiring trust.

Sister Superior

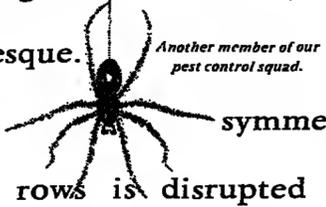
Compiled by Lucia van der Post

Not more than ten miles from the Scottish city of Perth is the Firth of Tay and the smaller River Earn.

It is on the fertile southern bank of this estuary that you will find a 300-acre farm known as Jamesfield.

Even though it's set amidst a landscape of rolling hills and lush evergreen woodlands, the farm isn't particularly picturesque.

The pleasing symmetry of its oats, wheat and barley rows is disrupted by an unruly scattering of wild oats, chickweed and Fat Hen.



idea to transform Jamesfield into a sort of organic R&D laboratory, our pulse quickened.

The plan was for the European Commission, the Scottish Development Agency and Safeway to shoulder the financial burden of what would, in the fullness of time, be Europe's most exciting agricultural project in decades.

Eleven scientists would be assigned to Jamesfield.

To run Europe's leading organic farm, we recruited eleven staff and several million volunteers.

The reason for this is simple: Jamesfield is an organic farm. As a result, its fields are not treated with chemicals.

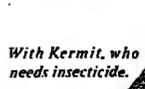
So instead of pesticide, Jamesfield relies almost entirely on the good will of its volunteers, like owls, ladybirds, hoverflies, frogs, blue butterflies, wasps, dragonflies and spiders to keep the pests at bay.



In place of synthetic fertilisers, the farm employs cattle, sheep, goats, earthworms, legumes and fungi to enrich the soil.

And as an alternative to herbicide, it has to resort to hoes and hard labour to control weeds.

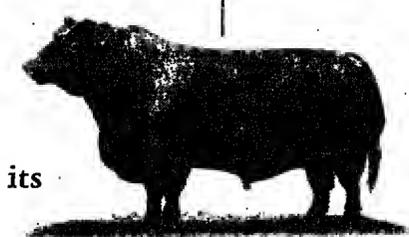
Although Jamesfield is no scenic spot, we have a soft spot for the farm. After all, we were the first supermarket to sell organically grown fruit and vegetables nearly nine years ago.



(Today, Safeway handles well over 50 varieties of organic produce.)

So when the Edinburgh School of Agriculture came to us

some time ago with the



Their job: to leave no stone unturned, no avenue unexplored.

They would investigate the role organic farms can play in feeding the country.

They would strive to show to one and all in the agricultural community that chemical-free farms can indeed earn their keep.

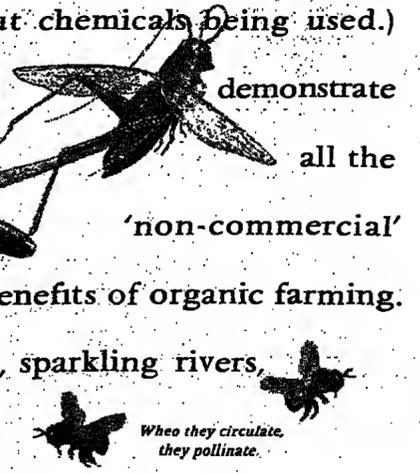
They would experiment with organic methods of growing traditional crops. (Luscious vegetables grow perfectly well without chemicals being used.)

They would demonstrate all the 'non-commercial' benefits of organic farming.

(Clean, sparkling rivers, for example.)

And, last but not least, they would share all the knowledge gained at Jamesfield with the rest of the Continent. Jamesfield would, in other words, be a classroom for the future generation of European organic farmers.

Being the country's leading organic greengrocer, we're glad we could be of assistance to Europe's leading organic farm. Naturally.



FOOD AND WINE

Treading the Beaujolais

Nigel Buxton takes a week off to walk in the countryside

IN A FEW weeks, when Beaujolais nouveau is in the news and people are speculating about "the vintage of the century," I shall make a quiet libation to the gods in gratitude for the week during which I went from one end of the Beaujolais to the other in the course of what could well prove to have been my walk of the year.

I would gladly do it all over again before the new wine flows in the wine columns if I had the time; for although the southern Burgundy countryside was lovely in September, it will be lovelier still from now until winter hugs too tightly - the vines and hardwoods above the cotes every shade of colour from chablis to claret, the sky on a sunny day a fine-filtered blue. The Beaujolais is only about 35 miles from top to bottom, and on a very rough average 10 miles from side to side, so walking through all of its appellations - crus, plus Beaujolais simple and Beaujolais Villages - in a week does not demand a Broddingnagian stride.

Although so far from straight are the highways, so far from level most of the terrain, that a fairly early start and no more than a modest expenditure of time on deputations and lunches is advisable to cover the list.

In this, as in certain other respects, autumn scores over summer, when the temptation to linger over idyllic picnics might be harder to resist. For my part, 12 to 15 miles between the cafe complet and a bath before dinner are sufficient. And if now and then a little beer or a taxi ordered to start or end the day, one might take comfort from Hilaire Belloc, lover of both wine and walking, who certainly cheated a trifle when researching his classic *The Path To Rome*.

Beaujolais pure and simple - the most southerly and by far the largest of the 12 appellations, and which actually at Les Thorins, Chénas, Juliénas, St-Amour. With a glimpse of Régnié, Dureuil, to the east of Morgon, I made my zig-zag progress

hierarchy of quality but is also the proudest part of the viticultural region of the Beaujolais. It is more what the French would call accident than the rest - more hills, deeper valleys and the streams more numerous. And if a 1:25,000 scale map of the IGN (Institut Géographique National) Série Réne is desirable elsewhere, it is virtually indispensable here for the walker who wants to leave the asphalt for clay.

Further north, over the Morgon stream, on a line roughly east-west from Villefranche, one has left most of the appellation of Beaujolais and has entered Beaujolais Villages territory, of which, surrounding the crus there is plenty more to come. An hour or two of ups and downs and twists and turns through virtually continuous, but never boring, acres of the Gamay vines and one is in the most southerly of the 10 crus and wondering if one has the time and the energy to walk up the 1,587 ft-high Mont Bruni. On a hot day at the end of the vendanges, I did not wonder for long but went on north and a little east across the very modest River Ardieres to the Chateau de Pizay (a member of the Belais et Chénas organization of hotels) surrounded by its own vines.

"Come and have a taste," invited Pascal, chef de cave, and I made a short tour of wine-making premises hardly less grand than those of the hotel. "Come and have a taste," said a man in bien de travail who owns an acre or two of vines a little further along the road and sells most of his grapes to a well-known firm but makes a little wine for his private use, and I found myself in an old wagon shed at 10.30 pm drinking what seemed one of the most delicious Morgons ever.

Morgon, Chiroubles, Fleurie, Moulin-à-Vent (which is actually at Les Thorins), Chénas, Juliénas, St-Amour. With a glimpse of Régnié, Dureuil, to the east of Morgon, I made my zig-zag progress



north. On a hillside looking across the valley of the Doube stream to hilltop Chiroubles, my picnic wine was an unlabelled bottle from the wagon shed in Morgon. High up on the Pic de Remont looking down to Chénas, I swore to myself that I had never tasted a better Fleurie than the one I had acquired at the co-operative where it had been made and which was so delectably with baguette and butter, followed by terrine en croûtes.

St-Amour not only shares with Fleurie the distinction of being the most popular of the crus of the Beaujolais, but in this context territorially the last, on the border with the Maconnais, and I came to it not going north but, a day or two later, going south. Cluny, Prissé, Saintré, Pontilly, Fuissé, St-Verand, St-Amour. The vine in the Maconnais shares the land with pasture and plough and forest far more than in the Beaujolais; yet, for many miles on ancient paths, never very far from the vigneron's door, you find good, firm going underfoot where for centuries the pilgrim trod but where the modern motorist has no right of way.

Oh, to be in Burgundy now that autumn is there! Oh to start in the Maconnais and end at some cave Beaujolais awaiting - or anticipating - the release of the nouveau!

A real thirst for experience

Jancis Robinson explains why some wine-makers have become world travellers

AT THIS time of year it must be awful to be married to a northern hemisphere wine-maker, especially a good one who knows he has just one annual chance to show what he can do with a truck-load of grapes and, during vintage time, will accordingly ignore his family in favour of his fermentation vat. But the worst wine-making spouse of all must be one of the increasing number of trans-hemisphere itinerants who have decided that making one vintage a year at Nature's surely intended, just isn't enough.

Airline companies, on the other hand, have benefited from the tide of Australians, New Zealanders and South Africans who have flown north to catch a second autumn and, therefore, grape harvest - in Europe and North America, just as they benefited earlier in the year from those Europeans and North Americans who flew south to work in Australian and South American cellars. Doing two vintages a year is now common-place in the wine world and those with a real thirst for experience may even manage three.

One keen chap from the Ardeche showed the way by making two out of the three annual grape harvests in humid Venezuela as well as overseeing his own vintage back home in France. And Martin Shaw, a young Australian wine-maker whom I managed to track down by phone in his BMW between Bordeaux and Lihourne the other day, is aiming at three next year. Not content with making wine in September/October in France and in February/March in Chile, he is planning a third vintage in April 1990 from his new, particularly late-ripening vineyard in South Australia.

He must be crazy (and, indeed, describes himself as 29 going on 45), but he could still formulate an explanation for this frenetic existence. "In a lifetime, a normal wine-maker might expect to make perhaps 30 vintages. Doing things this way means I could probably see as many as 70 or 80, although the way things are going - oh dear, I'm just about to crash into someone - I'll be lucky if I see another four!" Of course, there is nothing



Pioneers... Spain's Miguel Torres Jr (left) and Australia's Brian Croser

especially new about wine people benefiting from the seasonal difference between the hemispheres by travelling the world and indulging in a little industrial espionage in foreign cellars. What is new is that an individual can have real wine-making power in both hemispheres.

The seeds were sown in 1978. As Miguel Torres Jr was branching out quietly from his family's base in Penedes in northern Spain, and investing in 150 hectares of the then terra viticola insignis of Chile, a couple of Australians were making considerably more noise about their cheeky invasion of the wine world's epicentre, Bordeaux.

Wine writer and judge Len Evans brought the expertise - and his mate, Peter Fox, the dollars - to buy the Graves Chateau Rabou, and the Barzac Chateau Padouen, to provide these Antipodean interlopers with something to drink at the end of the meal. This particular exercise in audacity came to a premature end in 1982 when "Foxy" died in a car crash. But the Australian who oversaw the initial vintage at Chateau Rabou, Brian Croser of the Bethelma winery, has since introduced some new variables into the bi-continental, maxi-jetlag wine-making game.

Croser was then, and remains, one of Australia's most influential wine men, a

living embodiment of the Down Under philosophy that the ideal winery would be strapped to the back of the car. He commutes thousands of miles each vintage time between patches of just the right fruit, and is quite happy to blend different batches of geographically unrelated wine if he thinks they will result in a better whole. He has finally laid the foundations of a winery building high in the Adelaide Hills but one senses that, like Crocodile Dundee, he feels it nobby-pammy to have a permanent base.

Not that he spends much time there, however, now that he has bought his own stake in the northern hemisphere. Many round-the-world tickets later (once losing a suitcase containing the entire working papers for his new American winery), he is about to launch his own Chardonnay made in a converted fire station in a small town in... Oregon.

Wine-making mania clearly is contagious. Shaw, our friend in the BMW, worked for Croser at Bethelma and, of course, just had to travel. As a result, it is he who is credited with the dramatic re-styling of the various Chateau la Joubertie wines in the mid-80s when he applied Australian techniques to Bergerac grapes chez Lyman, late of the stationery stores.

Now, he has moved on to a much more ambitious (and more sociologically interesting) application of trans-hemisphere production methods. Flying Wine-makers is the name of his team: this year, three Australians and one French convert who swooped into four co-operatives in south and west France, creaming-off specially selected grapes to make into wine the Australian way.

According to Tony Lathwaite of Bordeaux Direct and the Sunday Times Wine Club - who hatched the scheme in 1987, financed it and is now selling most of its produce in Britain - this means "utter dedication, the ability to go without sleep for days on end and rigorous cellar hygiene."

A geographer bemused by the Australian notion that human input can overcome a less-than-perfect site, Lath-

waite prepared the ground for the politically sensitive Flying Wine-makers' scheme by sweet-talking the co-operatives in such distinctly non-classic communities as Limoux, in the Pyrenees foothills, and Cousseaux, near Agde on the Mediterranean coast - a particularly promising new source, apparently.

This year's Flying Wine-makers are just hosing down after making 100,000 cases of distinctively New World 1988s in the two southern French locations and two right on the fringes of the Bordeaux region, one technically Bordeaux and the other in the Dordogne encompassing both Bergerac and Montravel appellations.

Perhaps understandably, the geographical names to which these wines are entitled legally are spelt out in relatively small print on the carefully designed labels. The wines tend to be sold under more impressionistic names: Les Grisettes for a Merlot rose; Bergerac Boise for a slightly scrawny, oak-matured country claret; Cuvee de l'Alliance for a much more impressively round, fruity variation from Limoux. This is a concept to send shivers down the spine of the Appellation Contrôlée authorities.

About £100,000 has been invested in their own portable equipment - notably, stainless steel tanks and miles of tubing (in the pristine state of which they can trust), plus an increasing quantity of fashionable small oak barrels. But perhaps their most notable investment has been in energy.

The wines tend to be sold 30,000 kilometres in the past 10 weeks and the internal clocks of these passionate, or mad, wine-makers must be wrecked. The French seem pleased enough with the results of these cuckoo in the nest; the Flying Wine-makers' Bergerac Sec 1988 was garlanded at the important Macon Wine Fair and one Australian-trained interloper working outside the Lathwaite scheme has been banned from a small Midi producer for refusing to share his secrets with the locals.

The learning process is, without doubt, two-way. The Australians admit that it takes the French to show them how to treat fruit a little more

roughly, to stop filtering and over-treating their wines, and to have the confidence to leave Chardonnay (in particular) in contact with the lees. And the Torres family run their two operations in such tandem that salaries in Chile are linked to those in Penedes.

So will all this import-export trade in wine-making talent continue? You bet. Paul Pontallier, of Chateau Margaux, has been making regular visits to Chile for years now while the fellow-first growth Chateau Lafite-Rothschild has paid the Chilean winery of Los Vascos the compliment of direct investment. And a sign of the times surely is that the largest Australian wine producer, Penfolds, has crossed Lafite's path geographically by investing in, and sending a wine-maker to, California's Geyser Peak winery.

Shaw, meanwhile, is talking about a foray into eastern Europe, although the imminent first crop expected by his wife - who has until now been happy to decamp to France for up to four months a year - could eventually clip his wings.

SOME RECOMMENDED TRANS-HEMISPHERE WINES

Torres Don Miguel Riesling 1987, about £4.60 from Premier Wine Warehouse, London SW10; Peter Dominic, Strand, London WC2; The Celtic Vine, and Peter Green of Edinburgh. Dry, steely stuff like a mature, full-bodied Alsace - mature because so few people are clever enough to buy Riesling nowadays.

Torres Cabernet Sauvignon Rosado 1988, about £4, is good as a rose for food and the Torres Bellavista 1988, about £5.50, is perfect for those who prefer traditional warts-and-all oakly white Riojas like Marques de Murrieta.

Flying Wine-maker products are available from Bordeaux Direct of Reading (dozen bottle orders minimum - tel. 0734 471144), Syrah Plus (£4.50) and Cabernet Sauvignon Plus (£4.10) are both 1988. Vins de Pays de la Haute Vallée de l'Arde and are confidently fruity, fleshy versions of the grapes of the North Rhone and Bordeaux respectively.

Montravel oak-aged Semi-Mon-Sauvignon 1988 (£5.45) has been given almost a white burgundy structure with lots of fruit and a rich, still quite oakly nose. One to keep. Domaine Caperaux Sauvignon Blanc 1989 Chile (£4.10) is perhaps the best of the lot with excitingly pure fruit (rather than grass) flavours. It managed to impress both a top California wine man and a very picky New Zealander recently.

Croser Methode Traditionelle sparkling wine 1988 (£12.50), from Les Anis du Vin, 51 Chiltern Street, London W1. An extremely respectable rival to grande marque champagne made by Brian Croser - not in Oregon but with the help of grande marque Bollinger at Petaluma, South Australia.

Cookery

The pumpkin-eaters



to contain the stew safely, and it should be a good, pot-bellied, casserole shape. Ideally, it should be brilliantly coloured and have a handsomely ridged top with enough stalk to stimulate a lid with a handle. Be sure to excavate the flesh from the shell carefully and keep an eye on the "pot" as it cooks. If the walls of the shell are thin and weak in places, or if the meat is so tough that prolonged cooking is called for, the pumpkin could begin to lose its shape and split.

If you are nervous about the idea of using the pumpkin as a cooking pot, or if the stew is to be served as a picnic lunch for the guns, obviously you can cook the stew in a conventional casserole and transfer it to the pumpkin shell for serving. Do remember, though, to warm the pumpkin shell before filling it with the stew or the food will be tepid instead of piping hot when served.

Served with fagotet beans and potatoes, rice or ribbon noodles, the quantities given here should serve 6 people generously.

INGREDIENTS: One pumpkin weighing 9-11 lb; 2 lb neck

fillet of lamb (trimmed weight); 1 lb onions; 2 crisp and not too sweet dessert apples; 1 lb 2 oz can plum tomatoes; a little oil for the marmalade; 4-5 finely chopped garlic cloves; 2 tablespoons finely chopped green sugar; 1 teaspoon chilli powder (or considerably more if you want a "hot" and spicy stew); 2 heaped tablespoons cummin seed and 2 scant tablespoons coriander seeds toasted until warm and aromatic; the seeds from 8 cardamom pods; the juice of half a lemon. Cut the lamb into chunks and put it into a bowl. Crush the cummin, coriander and cardamom to a powder and spin-

them over the meat. Add the chilli, garlic, ginger and lemon juice and plenty of coarsely ground black pepper. Toss to mix, cover and leave in a cool place overnight so the meat soaks up the flavours.

Next day, chop the onions and soften them well in a little oil in a large sauté pan. While the onions cook, scrape most of the spices from the meat, reserve the spices and dry the meat with kitchen paper towels. When the onions are well softened, remove them from the pan. Sear the lamb in batches. Return the onions to the pan. Add the marmalade spices and cook, stirring, for a minute or so until deliciously aromatic. Add some salt and the roughly chopped tomatoes (but not their juices which can be saved for stocks, soups or drinks) and bring to simmering point. Cover and leave to cook very gently on top of the stove for 45 minutes or so.

Meanwhile, prepare the pumpkin. Cut a lid from the top and scoop out and discard the seeds and woolly fibres. Excavate with a spoon to extract only 1 lb of flesh. Take it carefully from all round to

leave firm, even walls of flesh in the shell. Cut the flesh and reserve it. Season the inside of the pumpkin with salt and pepper, smear the skin with oil and sit it in a baking dish. Warm the pumpkin shell by baking it in an oven heated to 375 F (190 C) gas mark 5 for 25-30 minutes. Check the contents of the sauté pan for seasoning. (This is a good point at which to add extra chilli to taste. Dissolve it in a few spoonfuls of the hot stew liquid, then stir it into the rest.)

Ladle the stew into the warmed pumpkin shell, adding the reserved cubes of pumpkin flesh here and there. Cover with the pumpkin lid and bake at 375F (190C) gas mark 5 for 45 minutes. Add the apple, peeled and cut into cubes, stirring it gently into the stew. Replace the lid and continue cooking in the oven for a further 30-45 minutes. By the end of this time, the ingredients should be tender and the pumpkin "cooking pot" should retain bright colour and firm shape.

Ideally, the stew should be served straightaway but, if necessary, I have found that it will hold for about 30 minutes if the oven temperature is immediately reduced to 225 F (110F) gas mark 1/4. When serving the stew, scrape the inside walls of the pumpkin gently to add extra chunks of the flesh to each serving.

Philippa Davenport

Food for Thought What's your poison?

no doubt like to be able to sue it for the shift of its corporate back. But food hygiene is not an absolute like that. We can only ask the grocer to do his best.

What Sainsbury and his colleagues had to say was that there is always a threat of contamination; that it is contained (mostly) by a battery of overall standards maintained conscientiously; and that, ultimately, it is a matter of chance with very long odds in your favour. We do not like supermarkets to make such soothing noises to us unless they are based on some new certainties.

Sainsbury told us that the level of salmonella contamination in his stores' fresh chickens is 11 per cent. "Why not 0 per cent?" someone asked. The reply was that 0 per cent could be achieved overnight - by irradiating the lot. Ha, but we won't have that, will we? Well, perhaps not. While another major supermarket chain, Tesco, has said a firm "No" to irradiation, Sainsbury's is more inclined to wait and see.

I think our chances of ever getting food which has been irradiated, but doesn't say so, are very poor indeed. We seem to have lost our last source of unpasteurised Stilton in the wake of the listeria scare. Some people mind very much about this, partly because they were very fond of it and partly because its disappearance has been seen as evidence that, in a crisis, the Ministry of Agriculture might find it easier to take advice that hits the small, independent supplier rather than the combined might of agri-business.

It is deplored that the Ministry of Agriculture is also the Ministry of Food, although I doubt that, in peace-time, we need a Ministry of Food, anyway. In its absence, I suppose, food hygiene standards would be entirely a matter for the Department of Health and Social Security. Would that be had?

Meanwhile, I wonder what the answers would have been if it had been George the Armenian who runs my local corner shop, who had been there in Lord Sainsbury's place. I think he would have waved his arms over his head and said: "Open till 10 o'clock on Sunday night, what do you expect?" Unfortunately, "healthy eating" is not a simple issue. It has become for many of us a quest for "natural" food without industrial or chemical additives. The problem with avoiding chemicals, like preservatives, is that the food will not be preserved so well without them.

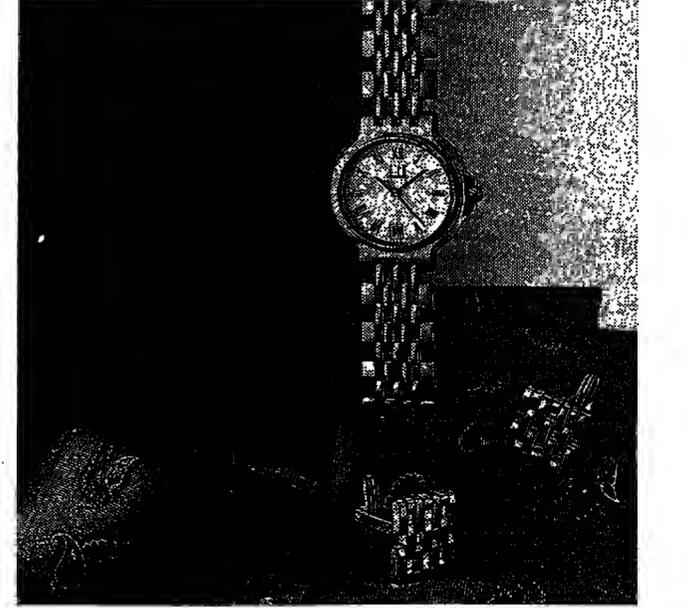
A supermarket might well

decide, for reasons other than handwaggon ones, that it wants to be "green," but what does this mean? In response to the BSE threat, Sainsbury's is removing the bit of spinal marrow from all its lamb chops before they go on sale. Is this a "green" move, though? And do you look after your customers' health better by selling them prepared dishes which may spoil if the chiller cabinet is over-loaded, or by selling them raw food which then runs the obstacle course of home cooking in a kitchen like mine?

There is a number of people for whom avoidance of certain foods or additives is a matter not of fat but of life and death. For them, the problem is not of hygiene but of labelling and knowing what ingredients actually are there.

For many people, a whole spectrum of ingredients has to be avoided, and they are in the hands of the people who write the packaging. Sainsbury's is very good at this: it publishes guides to the labelling of its food and related issues. These are genuinely informative and useful. "Who reads those, anyway?" asked one of my fellow journalists. "We've got rid of 14 million so far," Sainsbury's said.

Peter Lewis



INDIVIDUALITY. A CLASSIC TIMEPIECE THAT REPRESENTS THE PINNACLE OF THE WATCHMAKERS ART. THE STEEL AND YELLOW METAL ELITE. PART OF A COMPLETE RANGE OF WATCHES FROM ALFREDO OUNHILL.

dunhill

VIET ALFREDO DUNHILL IN LONDON, PARIS, DUSSELDORF AND MUNICH.

ARTS

HERITAGE

The trickle that could become a tidal wave

Antony Thorncroft on the loss of Britain's art works

There are worrying signs that the fragile framework which safeguards our national heritage and prevents a steady seepage abroad of our finest works of art is in danger of cracking up.

Like the British Constitution, the safeguards are more conventions than realities. The annual government grant to the National Heritage Fund, the first line of defence, is derisory at just £3m, and the second barrier, the delaying power of the Committee on the Export of Works of Art, only offers a few months' grace for the Great and the Good to do their stuff and try to save treasures for the nation.

The loss this week to California of a William Blake notebook of drawings highlights the size of the problem. Its price of £400,000 was quite beyond the reach of the British Library, which wanted it, and now it will be torn apart and its pages sold off to the highest bidder. The Heritage Fund would have liked to help but did not have the cash.

For many years, Lord Charteris, chairman of the fund, was private secretary to the Queen, and the ways of the courtier - agreeable, charming, optimistic - come naturally to him. But even he is having his good nature sorely tried by the Government's reluctance to provide adequate funding.

"I'm full of faith that the Government will see us right," said Lord Charteris when introducing the annual report of the fund this week. But, for the first time, he also talked about "painful decisions", and wondered out loud whether it matters if an important picture goes abroad: it still exists, while once an area of natural beauty is destroyed it cannot be recovered. It seems that, with the price of art at auction stuck at record levels, the fund will concentrate its limited resources on protecting the flora and the fauna of the 18th century, also part of its brief, rather than chasing Gainsboroughs and Zoffanys.



Sportsman With Two Dogs, by Thomas Gainsborough

It is paintings by these two artists, along with a Ramsay portrait, which are causing the fund most immediate concern. Paul Mellon is selling the Gainsborough, a portrait of Mr Dade and his pointers, and the Wiltonghy de Broke family the Zoffany, of some 18th century ancestors at breakfast, at Christie's on November 17, while the Ramsay has been offered to a gallery under a private sale. Ideally, the fund would like to secure all three for the UK... but this looks impossible.

By good management the fund has £5.5m in reserve and can be certain of another £3m grant on April 1, 1990. But, with resources of just £9.5m to cover the next 18 months, it is already committed to giving £4.5m towards saving the 18th century gardens at Stowe. With the Zoffany estimated at over £2m, and the Gainsbor-

ough at almost £1m, securing these pictures, and the Ramsay, would absorb most of its money. It also faces such momentous unresolved issues as the Mappa Mundi and Canova's Three Graces from Woburn, to say nothing of the constant smaller demands.

The fund has promised £2m towards the cost of the Mappa Mundi if the Dean and Chapter of Hereford Cathedral will play ball and give up their hare-brained scheme to sell it on the market. They are still proving difficult, but Lord Charteris is "not totally without belief that a satisfactory solution will be arrived at". The Three Graces constitutes a tougher challenge. This neo-classical sculpture was devised by Canova for Woburn around 1800, and a special Temple was commissioned by the Duke of Bedford to show it off.

The family now wants to sell

it to set up a trust for the children, and the Getty Museum at Malibu has offered £7.5m. Fortunately, the fact that it was designed into the fabric of the house makes it part of a protected building and therefore it should not be de-listed (despite the fact that it is currently at Christie's). So argues Mid-Bedfordshire Council, which to date is waging a single-handed battle to save this masterpiece. The fund will stay well clear of this one, which could become the heritage issue of the decade.

Ideally, the fund would like the Government to raise purchasing grants for museums and galleries - frozen for five years - so that it can assume the role of a safety net rather than the central purchasing agency it has been forced to become. It is unlikely that these hopes will be realised, forcing to make ever more difficult decisions. It will probably let the Gainsborough go if a foreign buyer gets it at auction - it has been out of the UK for a few years and the country is not short of Gainsborough portraits. The Zoffany conversation piece is his finest work and worth battling for, but could fall victim to the paucity of funds.

For on top of these pictures there is Brodsworth Hall, near Doncaster, a mid-Victorian time capsule, to save, not to mention the 200 smaller requests that come the way of the fund each year. It can help only around a third. It might well be that in the future the fund will concentrate on paying out smaller sums, like the £9,500 to safeguard Landford Bog in Wiltshire; £25,000 to restore Cromford Mill in Lancashire, the first factory in the UK; and £2,228 for Brighton West Pier - all payments approved in the last six months - rather than exhaust all its resources on yet another painting on a wall. Of course, it is possible that the new Environment Minister, Chris Patten, will give the fund a rise: but you would need all Lord Charteris's optimism to trust to that.

There is no copyright on titles to exhibitions, but to have two major public galleries with offerings that all but coincide to the letter is unusual, if not careless. In the event, the shows are very different. "Degas: Images of Women", at the Tate in Liverpool until December 31 and reviewed by Susan Moore two weeks ago, is a study of a great artist's treatment of particular subject-matter, wonderfully varied yet wonderfully consistent. I mention it now only to point the difference.

"Images of Women", at the Leeds City Art Galleries (until January 7, sponsored by Hammond Suddards, Solicitors), is an anthology made by Cora Miller, assistant keeper at Leeds, to show how women have been represented by artists through the ages. "For generations, images of women based on preconceptions by men, have lined the walls of our public art galleries." Thus runs the foreword to the catalogue. There is, as they say these days, a sub-text. We have been warned.

On the surface, the exhibition is extremely enjoyable, for Miss Miller has chosen some beautiful and extraordinary things. Side by side sit early works by Henry Moore and Barbara Hepworth from around 1929, when the artists were still on close professional terms. And already the Moore reclining figure has an idealised, hieratic quality, that makes the Hepworth and modernist things. Side by side sit early works by Henry Moore and Barbara Hepworth from around 1929, when the artists were still on close professional terms. And already the Moore reclining figure has an idealised, hieratic quality, that makes the Hepworth and modernist things. Side by side sit early works by Henry Moore and Barbara Hepworth from around 1929, when the artists were still on close professional terms. And already the Moore reclining figure has an idealised, hieratic quality, that makes the Hepworth and modernist things.

Woman as Artist and Muse has fine self-portraits of Mary Beale (1666), self-confident within the rich pictorial conventions of the time: Artemesia Gentileschi; of Angelika Kaufmann (c.1794), caught between the muses; and of the enchanting Elizabeth Vigée Le Brun (1782), consciously inviting comparison with Rubens' "Chapeau de Paille". Woman & Child includes a tiny Bonnard, of



Testing Valves, by Arthur McCormick: from Women at Home and Work

EXHIBITION

The second sex

William Packer looks at Images of Women

grandmother and grandchild, a Bellini Madonna, and an equivocal Spencer portrait of his first wife, Hilda, with their daughter Unity and her dolls. Woman at Home and at Work includes a bed-sitter interior by Harold Gilman, and several fine war-time commissions: Wrens testing valves by Arthur McCormick and meeting sells by Stanhope Forbes from the First World War; a Hurricane assembly plant by Elsie Hewland, and Laura Knight's portrait of Corporal Pearson, GC, WAAF, from the Second. In the Garden of Eden contains images of courtship - Arthur Hughes, Alma-Tadema and Hugh Riviere - and of sexual embrace or encounter - Gauguin, Braque, Jan van Scorel, Eric Gill with his garden roller. With Woman and Man we come at last to the age-old, inevitable confrontation of the

sexes, with its promises and possibilities, frustrations and misunderstandings. So far so good. The material is rich enough, and its discreetly pointed presentation in a fresh light is no bad thing. But the feminist reading of art history cannot leave it at that. In her essay in the catalogue, Griselda Pollock, of Leeds University, writes off that most complex period of social and political upheaval with the statement that for women, the French Revolution "did not lead to greater freedom, but less". A new and very limited definition of women was invented, she continues. "Women were to be exclusively domestic bodies: housewives and, above all, mothers." The division of the sexes, which today we inherit, was formulated as a quite new idea in the late 18th century. Men were to

be intellectual, political and active; women emotional, domestic, passive. She looks at the Vigée self-portrait and sees "an immensely successful painter working for the Queen... Yet she presents herself as an artist... in a way that completely contradicts the woman artist whom we know: worked hard and regularly... Instead we see a spectacle of femininity, a woman offering herself up to be looked at... Yet it is her exceptional skill as an artist which... has taken on the impossibly difficult shadow first used by Rubens... The painting is an ambitious painting, a challenge to one of the great masters triumphantly carried off... Self-exploitation or brilliant challenge? How difficult it must be for Miss Pollock to know what she thinks.

COLLECTING Saints for sale

Robin Duthy makes some fictional purchases

ONE OR another sector of the art market often pulls away from the rest and its rating may become enhanced permanently. Yet the old value-relationships are apt to get re-established eventually. Old Masters were almost lapped by Impressionist and Modern paintings over the 1880-93 period, but, to no one's surprise, prices are now moving up fast.

That does not only mean that because £2m was paid for a Pontormo portrait in May, Old Masters of comparable standing should fetch as much. Premiums paid for outstanding paintings over the merely first class may well increase, but there will be a ratchet effect on the whole market, with plenty of revalua-

It would be absurd to paint a veil over a pair of eyeballs, as Victorians often did over naked breasts or pudenda. So, if these remorselessly-peering eyes bother me, I shall have them overpainted with buzzing coals to symbolise one of the torments God helped Lucy to withstand.

The better-known Florentines of this period, such as Carlo Dolci and Cesare Dandini, are unacceptably sweet to many collectors and that is why Coccapani is a welcome rediscovery, especially to the Italians. His painting of Saint Sebastian, even though it had the feel of a deathbed scene, was the highlight of a recent sale in Rome, where it made £30,000.

At Sotheby's in New York on October 13, I "bought" for £12,000 a six x 18in Winslow Homer watercolour painted at Gloucester, Maine, of a yacht in a cove. It had belonged to John Dorrance Jur, the Campbell's Soup king, whose collection of Old Masters will be auctioned in January.

Along with Thomas Eakins, Homer is ranked the greatest of American artists. He took up painting while drawing illustrations of the Civil War for Harper's Weekly. Apart from providing training in the observation of detail, the war gave him an experience of mortality which he put to use in a number of inherently tragic subjects - often choosing an animal's struggle to survive as his metaphor.

He is a true exponent of that realism that threads its way through American painting from the early portraits through the Hudson River School, the Ash Can School and even to the psychological realism of the New York School.

The present watercolour dates from 1880, when Homer spent a second summer at Gloucester and shows him in full command of the medium.



Adam and Eve: one of four Castelli plaques

able to produce a subtle, yet sparkling, account of this mythical scene.

Prices for Homer's watercolours are up by 700 per cent over the last 10 years: 10 were sold last year for between £16,000 and £240,000. Homer is among the bluest of blue chip investments and a 10 to 15 per cent growth rate is well within reach.

At Sotheby's Continental Ceramics sale on October 17, I "bought" for £2,500 a set of four Castelli plaques of about 1740, painted with scenes from the Book of Genesis - the creation of Eve, Adam and Eve at the tree of knowledge and the ban-

ishment from Eden. The painting is by a member of the Grüne family in a delightful 18th century version of a medieval style in which God appears far too benign to have punished his creatures in the way the Bible claims.

These are the last in the line of wares that began with the much-admired medals made at Urbino in the 1520-50 period. Until recently they were dismissed as too late, but prices have been rising by at least 30 per cent a year over the last five years and could have some way to go.

At Sotheby's furniture sale on November 10, I shall be "bidding" up to £3,000 for a pine pedestal, of about 1740, carved with oak-leaves, acanthus and a lion mask.

This example still has its original patina. It is not a classic investment piece, but one for which demand will always be strong.

Robin Duthy



Saint Lucy, by Sigismondo Coccapani

ations going on in the mainstream.

With that in mind I "bid" up to £10,000 at Christie's on October 27 for a painting of Saint Lucy by Sigismondo Coccapani (1583-1642), a 17th century Florentine painter who has moved into the limelight. At £5,000 to £7,000, the estimate was low, partly because the painting had some damage, but mainly because the unfortunate Lucy had her eyes put out in about AD 304 and we are shown the eyeballs on a tazza at the foot of the picture.

Heavy religious subjects - flagellation, crucifixion and deposition scenes, for example - can be hard to sell unless by an important artist.

Saints can also having selling problems and be difficult for painters to tackle, depending on how they met their end.

Bidding is so much easier now at Sotheby's - all you have to do is raise a numbered paddle

We also operate a free bidding service on your behalf. If you would like a free copy of our brochure, *Buying & Selling at Sotheby's*, please telephone Peter Dangerfield 01-408 5359

SOTHEBY'S
FOUNDED 1744



CONTEMPORARY ART SOCIETY

ART MARKET
TUESDAY 31 OCT - SATURDAY 4 NOV 1989
11AM - 7PM
SMITH'S GALLERIES 25 NEAL ST COVENT GARDEN, LONDON WC2

1,000 WORKS BY LIVING ARTISTS FOR SALE FROM £100 TO £1,000

ORIGINAL PAINTINGS, DRAWINGS AND SCULPTURES
SELECTED BY THE CONTEMPORARY ART SOCIETY
WORKS BY BOTH YOUNG AND ESTABLISHED ARTISTS
BUY AND TAKE AWAY GALLERY CONSTANTLY REFRESHING



ORGANISED BY THE CONTEMPORARY ART SOCIETY 25 JOHN LANE STREET LONDON SW1P 4LL 01-571 5323

SPONSORED BY SAINSBURY'S

PART OF "MAGYAROK" BRITAIN SALUTES HUNGARY
TUESDAY 21 NOVEMBER 7.45pm

BUDAPEST SYMPHONY ORCHESTRA

ANDRAS LIGETI Conductor PETER FRANKL Piano
BARTOK Piano Concerto No. 2
MAHLER Symphony No. 5
SPONSORED BY TELPOS HOLDINGS PLC
Seat Prices £15 £12.50 £9.50 £7.50
From 1988 change of conductor

BARBICAN HALL 01-638 8891 (9-8 daily)

NI
NATIONAL THEATRE
MUSIC AND NOISE
BOX OFFICE
FIRST CALL

24.22 CARAT CAST
The Misanthrope
7-11 NOVEMBER
BOOK NOW
(0604) 24811
Sponsored by National Theatre

ARTS

The South Bank honeymoon is over

Concert goes are just too conservative, says Antony Thornecroft sadly

THE HONEYMOON is over on the South Bank. When the new management moved in three years ago, replacing the populist (I.C. as creative landlord, it was perfectly selected to disperse the critics.

There was Nicholas Snowman, fresh from Paris, with ideas for imaginative musical festivals to pep up London's stale orchestral diet; there was Richard Pufford, a bright approachable reformer on the business side; while the active chairman Ronald Grierson seemed to know everybody and to have the gift of charming money from both the state and commercial sponsors.

Now the situation is not so happy. Audiences at the flagship Festival Hall were down 3 per cent last season to 66 per cent of capacity and the South Bank Centre, which encompasses the three concert halls and the Hayward Gallery, is wrestling with a £1m deficit. Concerts and exhibitions are being quickly cancelled and some of the bold plans abandoned in the face of financial stringency.

The sad, inescapable fact is that London's concert-going audience is too conservative for commendable initiatives like last season's extended Schoenberg season and the music of Latin America. Such experimentation might have been economically sustainable in a well-funded year, but the South Bank was struggling with an increase in grant of less than 2 per cent (to £11m) while some costs, such as the

costs for advertising and printing, were rising by 15 per cent or more. It only needed a messy row with the staff over a wage claim for the mockers to mount an attack on the new regime.

It shows the critics in a bad light. For years they have complained about the predictability of music in London. Now that it is being spiced up, they tear into a beleaguered South Bank. Perhaps Snowman et al are naive in their idealism, but there is something brave about such enterprises as the current Ligeti season. Predictably, attendances are below forecast, and one concert has been cancelled, but only by playing the works on an audience created for contemporary music.

The South Bank hopes to make up its missing millions by boosting revenue by £500,000, mainly through sponsorship and commercial activities in its shops and restaurants, and by cutting costs by the same amount, through such mundane savings as on maintenance (the windows will be washed less frequently) and advertising. But it is still taking risks, and the Maxwell Davies festival planned for 1990 is going ahead.

The problem for Grierson and his team is that they are prisoners of their Halls. Only about 15 per cent of the concerts are their own promotions and in the main they depend on hall rentals and 15 per cent of the box office, plus the expenditure of audiences at shops, bars, etc. for their income.

They are loathe to increase the rentals for the leading London orchestras, their main clients, and when they try and enliven the programme the result is often a box office disaster. A Venezuelan orchestra last season played to a 10 per cent audience and cost the South Bank £17,000, while a Greek

Festival at the Elizabeth Hall did little better.

Even the heavily promoted festivals can be disappointing. In the event the Schoenberg played to 32,000 people and was only 1 per cent under target; it was the French season which made a bigger hole in the budget. Some of the extra costs,

which accounted for half the deficit, were due to poor planning: the decision to stage Elektra on two nights with an RPO concert in between involved the South Bank in quite unnecessary stage setting and removing.

Not surprisingly the South Bank prefers to look forward to a brighter future. By the end of November it should have selected one or two orchestras in residence. There were only two applicants for the job, the London Philharmonic and the Philharmonia, who happen to be the main users of the Festival Hall.

A joint residency seems the obvious solution. The orchestras gain no great financial benefits but will have more rehearsal time (costing the South Bank £500,000 a year in dark nights) and by 1991-92 should provide between them eighty odd better rehearsed, more imaginative concerts, built around a festival devoted to post-war avant-garde music, conducted by Boulez and Pollini.

In the intervening season, 1990-91, the South Bank should have a smoother ride with its concentration on Mozart. More repeat concerts will also save money. By this

time too some of the commercial changes will be producing extra income, notably the Festival Club, a suite in which sponsors can entertain clients (to be financed by a £300,000 gift), and the refurbished restaurant South Bank Enterprises, a recently designed subsidiary formed to exploit the Halls' attraction to conference organisers and other ancillary sources of revenue, should also be on stream. In all the South Bank is looking for £1.1m from sponsors this season.

Also by 1991, work will have started on the renovation of the South Bank, which involves the covering over of the area between the Halls and the creation of a piazza stocked with shops, restaurants, etc. The humanising of the complex will close the smaller halls for a year, but by 1994 the South Bank should look much better and be in a stronger financial state thanks to the commercial rub-off from the development.

Unlike other arts organisations the South Bank has chosen not to wince in public. Perhaps it has not resolved the conflicting tensions between Snowman's commitment to adventurous programming and Grierson's faith in business friends. A coherent philosophy has yet to emerge; but tension can be creative and the South Bank could still pull through as London's leading cultural centre rather than as a shopping mall with music.



The firm at the South Bank (left to right): Ronald Grierson, Nicholas Snowman and Richard Pufford

A hot shot let loose on the town

Martin Hoyle on a winning play from the US

The Mobil Playwriting Competition has thrown up exciting work in the past through its collaboration with Manchester's Royal Exchange Theatre. In *Winding the Ball*, a "special prizewinner", they have happened on a play of a play, a black comedy that effortlessly mixes the hilarious with the horrific, and has us laughing as innocent people are gunned down by that frightening, American and, of late, European phenomenon, the beserk sniper.

Alex Finlayson lives in Richmond, Virginia, and the story All Saints' Day the chronicles is steeped in small-town Appalachia. Mike Taylor's design lays out the Co-Op Farm Bureau, or general store, before us in beautiful detail (director Greg Hersov carefully researched place and people in Richmond, itself, though

whether the townsfolk will ever talk to Ms Finlayson again is a moot point). Shelves are crammed with Froot Loops and Alpha Bits, Golden Grains, Nik Naks and Smurf Magic Berries. Slow-witted Claude, a taciturn but succinct giant, is piling up sacks of meal (he knows a barricade must be built for some reason) to the distress of the new manager, whose instructions he ignores. Over the hill presides the thin-lipped Bible-quoting Leona, the sort of cashier who firmly exclaims "I don't touch money" (a rather British approach to commerce, this), and "I go by the law of Jehovah" - which may, as her nervous employer points out, contravene the odd federal race law.

Overnight, the glass door has been smashed in, Halloween mischief that alarms

as it transpires that the store's stock of ammunition is gone. Meanwhile, the managers, a female, brightly flourishes into a muddle which, we realise, reflects her unsatisfactory marriage to the local football coach who moves on every two years once he has turned the team into winners, and who has now vanished. "This is the edge of the world," the Catholic Minister warns her. They are about to fall off.

The final push comes when the volley of shots from upstairs is identified not as long Claude shooting pigeons but, handyman Deemer observes with cheerful interest, as a killer mowing down the citizenry. "He got him a cop," he notes with glee.

Tragic events do not necessarily turn everyone into tragedians. In every calamity there will be the foolish, the happily

unaware, the incomprehending. Life's mixture of terror and triviality is marvelously illustrated by the deaf bread man's delivery. Cheerily oblivious, he leaves his consignment and, despite the assembled company's warning shrieks, bustles back into the street where a shot suggests he has handled his last crumb cake.

No prizes for guessing who has ripped his lid. Act 1 ends with the grinning football coach, rifle in hand, confronting his wife and the others. Act 2 is more conventional, the long littleness of their life painfully unrolled, emphasised by the central pair's slightly strained playing. Lisa Eichhorn's pallid Jamie is fully stretched vocally and emotionally, and David Schofield, however intelligent, simply looks wrong as an American football coach.

One suspects Ms Finlayson has crammed too much into the play: the paradox of a society with both "Christian family skating night" at the rink every Friday and such collectibles as a limited edition of 12 historic guns that made this country great" (Robb polishes off his victims with his John Wayne Memorial model downstairs and an Audie Murphy number upstairs); a Cambridge ("England, Europe") educated African priest; the Filipino professional classes prepared to bury themselves in cultural isolation for a good, if empty, living. And the psychology of crack-up, the depersonalisation of mass-killing: "They're not dead," says Robb reassuringly; and later, "they're not people, they're pieces. Like pigeons, shapes against the light."

But the writing is splendidly



Trevor Cooper, Marcus Eyre and David Schofield in *Winding the Ball*

assured, with wit and perception that bespeak a major talent. Even symbolism - that Achilles heel of much American drama - packs a powerful punch in the box rat-trap that lures the rodents in with a cheesy substance but prevents their escape until "their guts explode." These trapped

characters explode impeccably in Mr Hersov's brilliant production. The opening twang of Marcus Eyre's cop inspires confidence (as the opening accents of the National's *Ma Rainey* do not), gloriously justified by Robert Taylor's primly disapproving Leona, all towering lacquered hair-do,

which never collapses, even in death, and wry distaste à la Thelma Ritter; Ian Bartholomew's Deemer, pleasurable excited by the liveliness that slaughter brings to the; and Trevor Cooper's lumbering Claude, a whole world of logic and observation behind the retard's façade.

FROM November 25, *Radio Times* will revert towards its old layout with the day's programmes for all the radio stations together for comparison, one double spread for each day of the week. Quaint-looking printings must still look elsewhere for television. Changes in Radio 4 evenings, too: Monday to Thursday, *Financial World* is now at 9.15. *The World Tonight* at 10.00. *Book at Bedtime* at the more likely bedtime of 10.45. On Friday, *Letter from America* at 9.45, and a new *Financial Week* at 11.25.

This was a rich week for drama, but I must first pay my occasional tribute to Radio 1, which has been doing *Drug Alert* again since Wednesday,

including a live programme of talks with AIDS sufferers. The first play I heard, *The Song of Leavin'* (Radio 3, Saturday), was adapted from a Ugandan poem by Okot p'Bitek talking of an Acoli woman's distress at her husband's becoming Europeanised. The production is by Reduta Deux, a New York women's multi-racial company. Short sentences are spoken, sung solo or in chorus. Valeria Vastilevski

his neck, and a drunk shouting at him. Brunelli runs a crusade to save the centuries-old bellows of Lima from destruction by modern builders like Cinepa. His daughter Ileana, who helps in his crusade, is courted by Cinepa's son Diego, who joins their protest in spite of his father's modernity. But when they marry, Ileana tells her father that she didn't care for the crusade, and loves Diego less than a former lover whom Brunelli saw off because he stood for the destruction of all Spanish colonialist work.

Back to the opening scene: Brunelli hangs himself, but his beloved balcony lets him down. He survives, and goes off with the drunk to get wheatbarrows to collect the ruins.

The World Service, apart from its contributions to the Globe Theatre, also offers its listeners their exclusive drama from time to time. Its latest is Richard Nelson's *Principia Scriptoriae*, the story of two young literary revolutionaries in a South American jail.

Their contrasted conversation, punctuated by the worst kind of practical local politics, is as instructive as it is exciting. Anton Lesser played the rowdy American, Sean Baker the intellectual South American, and Gordon House directed.

Back to Radio 3, with Tuesday's *From a Second Home in Piccadilly* by David Cresson. This is a ragout of letters home from a novelist to his family, his mistress and his agent. Varied astringent sances are added by the recipients and the subject-matter. In Piccadilly, the emotions of the moment depend on the state of the writer's unreliable car, which affects all the villagers somehow or other and absorbs his family's savings.

Radio Dramatic riches

AMERICAN EXPRESS SALUTES
 ORCHESTRE DE LA SUISSE ROMANDE
 ON ITS AMERICAN TOUR.
 WE ARE PROUD TO SPONSOR
 THE OPENING PERFORMANCE
 AT CARNEGIE HALL
 ON OCTOBER 28TH.

American Express Company
 In support of the arts.

American Express Bank Ltd. and American Express Travel Related Services Company, Inc.

B.A. Young

He argues convincingly that, in the case of Rich, a nostalgia for the great Broadway musical, and a xenophobic fury about Lloyd Webber's New York invasion, have injured him to any acknowledgment that musical taste and technology have moved on.

The good thing about the book, which is well-written and handsomely produced, with 72 large pages of colour photo-

BOOK REVIEW High flying adored... Michael Coveney on a new look at Andrew Lloyd Webber

In Gerald McKnight's biography of Andrew Lloyd Webber, published in 1984, Derek Jewell, the late Sunday Times jazz critic, renounces London theatre critics for not knowing "the first thing about music."

Lloyd Webber, whose work he championed to the point of undiscriminating sycophancy, was not getting a fair deal.

The battle widens in a new study, *Andrew Lloyd Webber*, by Michael Walsh (Viking, 240 pages, £20). Walsh is the music critic of *Time* magazine, an American with impressive credentials (he won the Arlington Symphony piano competition in 1967 and graduated from the Eastman School of Music at the University of Rochester in 1971). He declares that the subject of his book is "the inability of theatre critics to come to grips with the nature of modern musical theatre." Delicately, and with his own new brand of proprietorial resentment, he derides Derek Jewell as much as anyone.

But Walsh is soft on the other British critics, allowing his well-organised and analytical pages on the scores to make the just point that even musically literate drama critics seldom get stuck into the fine detail. His wrathful contempt is reserved for his New York counterparts, especially Frank Rich on the New York Times and Clive Barnes on the New York Post, and formerly of the Times.

He argues convincingly that, in the case of Rich, a nostalgia for the great Broadway musical, and a xenophobic fury about Lloyd Webber's New York invasion, have injured him to any acknowledgment that musical taste and technology have moved on.

The good thing about the book, which is well-written and handsomely produced, with 72 large pages of colour photo-

graphs is that this partiality to a cause has not blinded Walsh to his critical responsibilities. He is toughest on *Cats* and *Starlight Express*, unyielding on the problematical conclusion of *Aspects of Love* and insisting that both *Evita* and the *Requiem* have been underrated and misunderstood.

The vexed issue of plagiarism, an accusation often levelled at Lloyd Webber with no particular evidence, is well fielded. The most startling thing about Lloyd Webber's activity is the extent to which a sort of creative miserliness means that, like Beethoven and Rossini, he steals most often from himself.

You flinch a little when Walsh avers that the most important opera composers of today are Philip Glass, John Adams, Stephen Sondheim and Lloyd Webber. But his book supports the contention that his talent is at the very least complex and interesting, his style "a semi-conscious agglutination of rock, show music and classical influences". Ligeti and Penderecki are

of the opera, "his best work so far," incorporating one of every artist's "periodic quantum leaps," are both riveting and timely.

The analysis is stitched into a smartly recounted biography from which the subject emerges as testy, determined, cunning, ruthless and obsessive. Trevor Nunn, Harold Prince and Tim Rice are all kept on various tenterhooks. Rice's story is equally well told, as indeed is the emergence of the Really Useful Company on to the public market in 1966. By this time Lloyd Webber was earning £12m (£7.5m) a year, owned property in London's Eaton Square, Hampshire, the South of France and New York, and had acquired both a private jet and the Duchess of Windsor's jewels.

Walsh is not fastidious in documenting either the material success or the romantic entanglement with Sarah Brightman that finished the first marriage to Sarah Norris. But for once this information comes alongside more penetrating things such as the clear identification of the composer's preferred "important" key being D-flat major, and "Love Changes Everything" being the first three-chord song in the canon.

SPINK COIN AUCTIONS Sale No. 72
 Thursday, 9th November 1989
 at the Cavendish Hotel, London SW1
 'BRITISH GOLD SALE OF THE YEAR'
 The Sharps Pixley Collection of Gold Coins
 290 lots including many rarities:

- ★ Edward V Angel
- ★ Cromwell Pattern 50 shillings
- ★ The 1778 Pattern Five Guineas and Two Guineas
- ★ Many rare Sovereigns
- ★ 1853 Proof Set

Send £5 for fully illustrated catalogue.

Spink
 Spink & Son Ltd.
 King Street, St. James's, London SW7Y 9QS. Tel: 01-509 7888 (4 lines) Telex: 916711

Pick of the Week

CHRISTIE'S

THIS UNUSUAL COFFEE POT is painted after a design by the Dutch draughtsman Cornelis Pronk. The *Dame au Parasol* was one of several designs commissioned from Pronk by the Dutch East India Company between 1734 and 1737. These designs were not only applied to Chinese blue and white, famille rose and imari decorated wares made for export to the West, but samples were also ordered in blue and white Arita from the Japanese. This coffee pot will be included in the sale of Fine Chinese Export Porcelain and Works of Art at Christie's King Street on Monday, 30 October 1989 at 10.30 a.m.

For further information on this and any other sales in the next week, please telephone (01) 839 9060.

8 King Street, London SW1
 85 Old Brompton Road, London SW7
 164-166 Bath Street, Glasgow

SPORT

A race to stiffen the sinews

Keith Wheatley on the latest leg in the Whitbread Round the World contest

COMPARED to the Uruguay-Franco leg of the Whitbread Round the World Race, the Paris-Dakar car rally takes place in a suburban back yard. Twenty-four yachts sail at noon today on a 7,650 mile nautical hobsleigh ride to Western Australia.

Whitbread but not yet a winner, was faultless in his route-planning - aided by two Apple computers which processed satellite-transmitted weather data 24 hours a day.

Blake and the other skippers faced a crucial decision as to where to cross the dreaded Cape Verde Islands, which slowed us for 12 hours, but we had a lot of luck in the Doldrums where the chasing boats never got closer than 60 miles.

Steinlager II gave a faultless performance

were moving up to 300 miles in 12 hours. Steinlager guessed right, unlike skipper Lawrie Smith at the helm of British favourite Rothmans.

Smith chose to sail east of the Cape Verde islands and cross the Doldrums closer to Africa. As he acknowledged later, it was the wrong choice and led to the longest few days of Smith's life.

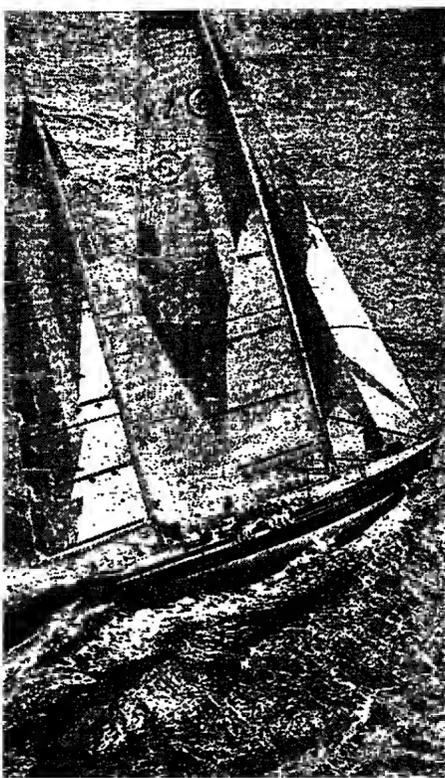
Rothmans may have been paying the price for a last-minute personnel dispute which left their highly-experienced navigator David Howlett sitting on full pay at home in Southampton.

less dramatic. Just four days from the finish a huge crack appeared in the deck of Rothmans. At over 10 knots the yacht sailed into a south Atlantic roller with no back to it. "The bows shot through the foaming crack, then just dropped a full 30ft to crash into the trough behind," recalled Smith.

The deck area was carbon composite designed to take loads of up to 180 tons. It sheared with a crack like a Royal Artillery salute. "With the deck split we could feel the crippled boat moving under our feet like jelly," said Smith.

It was a tactic that would not work in the coming leg. Rear-Admiral Charles Williams, race director, has ordered that in view of the extreme risks in the Southern Ocean all competitors must radio in twice a day. Of course, given the premium on positional security, some will not and that poses a question on how soon to panic.

Certainly very little could give quite the empty feeling to a sailor's stomach as did news of a fellow competitor's suicide in Uruguay. Russian skipper Gennadiy Gerasimov hanged himself just outside Punta del Este two days after arriving in a brilliant seventh place.



Steinlager: remains the bookies' choice

Their yacht's radical design caused a few raised eyebrows. Yet with an experienced crew and construction finished only hours before the start, Fazi's performance on Leg 1 was little short of electric.

Gryshenko, whose wife gave birth to their first child while he was at sea, must have had secret worries.

Since a totally unfair new handicap system appears to have eliminated the chance of a smaller yacht winning the Whitbread on corrected times, it is already apparent that the performances on Leg 1 that one of the big-league maxis will lead into the Solent next May.

Steinlager remains the bookies' choice, with odds of 1/2. Then comes Merit, the

Swiss sloop skippered by the 85/85 Whitbread winner Pierre Fehlmann - or "Marty," as he is known to his rivals.

Rothmans and Fisher & Paykel are equally third-fancied with odds of 9/2.

It is a sign of how close this race is going to be, yachts often in sight of each other after 3,000 miles at sea, that both the latter teams have

beat up their crews with additional Olympic-level small boat helmets. Large transfer fees are being offered in some cases.

With the total sponsorship of more than \$50m riding on the race and a whim of mortal peril thrown in, it is easy to see why nerves are a little stretched this weekend.

A voice for the ordinary fan

Philip Coggan looks at the effect of the Football Supporters Association

PETER GARRETT is one of the two main founders of the Football Supporters Association, launched four years ago after the accumulated effect of the Bradford and Heysel disasters made many feel it was time for fans to speak out. But what makes Garrett unusual as a debater of the terrace is his full-time job as a policeman.

Garrett's employers, Merseyside police, for whom he acts as a community liaison officer, appear happy to allow him to devote time to FSA affairs. And his fellow supporters, not renowned for their love affair with the force, do not appear to mind the presence of, as it were, a sheepdog in sheep's clothing.

Indeed the other founder of the FSA, the articulate Rogan Taylor, is hardly an average football supporter. A former student journalist of the year and the holder of a doctorate in oriental religion, Taylor met Garrett when standing on the terrace at Anfield. Both are fiercely loyal Liverpoolians with Garrett quick to point out that 50 per cent of those charged after Heysel (when 39 supporters were killed at a match between Liverpool and Juventus) were not from the Merseyside area.

But then the typical supporter is not the shaven-headed, lager-loving, football fanatic. There are many like Garrett and Taylor whose fierce love of the game does not spill over into a desire to inflict pain and humiliation on rival fans. As Garrett says "the issues that divide football supporters pale into insignificance compared with the things that unite us".

It is this belief, and the conviction that the voice of the fan needed to be heard if tragedies such as Heysel were to be avoided, that prompted Garrett, Taylor and four others to write to the Guardian in August 1985, calling for the establishment of a "trade union of fans".

At the national level, one demonstration of the group's campaigning abilities is the 400,000-signature petition which was presented to the House of Commons on Thursday in opposition to the government's Identity Card scheme. Garrett says that Colin Moylan, the Minister for Sport, refused to include an FSA representative on the working party that drew up the scheme.



We're not against a membership scheme per se, says Garrett. "But our idea of membership is totally different from the governments. They want supporters to pay more and suffer greater restrictions. Our idea is that if you are a member, you have rights".

The FSA has also helped supporters mount campaigns on local issues, for example, it co-ordinated the campaign in 1987 against the plans to merge the London clubs Fulham and Queen's Park Rangers. The plan was eventually dropped by property company Marler Estates although the future of Fulham still looks uncertain.

Other campaigns which the FSA have backed have included the "Left on the Shelf" battle at Tottenham, when Spurs fans tried to protect terraces from the encroachment of executive boxes (the result was a compromise). And the FSA played a major part in the campaign to persuade the FA to allocate a larger proportion of Cup Final tickets to the supporters of the two clubs involved.

It will be a long haul to "drag football into the 21st century" as Garrett describes it but one key element in the process has already been introduced: a new British supporter's charter at last has a voice in the corridors of football power.

CROSSWORD

No. 7,075 Set by CINEPHILE. Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday November 8, marked Crossword 7,075 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday November 11.

Crossword puzzle grid with clues for Down and Across words.

- ACROSS
1 Iran's unhappy mother (6)
4 Line where needle points truly takes a lot of pains to number (6)
8 Father in wrath maybe is on this (7)
9 Guard from decay in setting agent, in short (7)
11 Not being charged for talking, right? (4,8)
13 Range of a student needing addition (4)
15 Cup as used in church by a girl? (5)
16 Don't eat what you eat from the microwave? (4,4)
17 Teacher finds English coin gold? (8)
18 Unstable mountains? (5)
20 Fish with a tail piece (4)
21 Obvious hour to have conquered (10)
23 Cup as used in church by a girl? (7)
24 Keep feet on ground when moving before a deal (7)
25 It's expedient to go often (6)
26 Earth swallows stream in front of car? (6)
DOWN
1 Street song on the way up (6)
2 Flies to bathe at a posh rate (7)
3 George has a crazy sunbat, something to suction (9)
4 Circular measurement, right? (5)
5 Less than fifty per cent, certainly (3,4)
6 Rabbit gets round a policeman, start of horrible row (8)
7 Artist gets through first of two (9)
8 Doctor, doctor! Caught her outside - could be a fairy (9)
9 Brick made of canvas? (9)

Solution to Puzzle No. 7,074
SCAPE PRIGMANT
A I O A V E
PARONE COGNATE
O G O I G I O
BOONED OUBER
T W O I I I
O I T I CONCENTRAL
O V S R O A
NATION REVENUE
T H R I F T I
ANARCHIC REVOLT
C E H M R N
T R I A G L I O T A I N T I
Solution and winners of Puzzle No. 7,063
TEOTILE AOTICE
O R I L E W
O O O O A T A G H A
O O O O O O O I G
O O O O O O O O O
U I T E R T O S H O K
P S E O A A
S T R O U D H A I O U T
O O O O O O O O O
O P L A I N A V O A T E
A O A C E
O O O O A R O U N E
O O O O O O O O O
O O O O O O O O O
O O O O O O O O O
R O O P I H A T A M E R I

TELEVISION & RADIO SATURDAY

Television and Radio schedule for Saturday, listing programs for various channels like BBC1, BBC2, Granada, Yorkshire, Radio, Scottish, TSW, TVS, Tyne Tees, Grampian, Ulster, Channel 4, S4C Wales, and Anglia.

SUNDAY

Television and Radio schedule for Sunday, listing programs for various channels like BBC1, BBC2, Granada, Yorkshire, Radio, Scottish, TSW, TVS, Tyne Tees, Grampian, Ulster, Channel 4, S4C Wales, and Anglia.

TELEVISION & RADIO SATURDAY

Television and Radio schedule for Saturday, listing programs for various channels like BBC1, BBC2, Granada, Yorkshire, Radio, Scottish, TSW, TVS, Tyne Tees, Grampian, Ulster, Channel 4, S4C Wales, and Anglia.

SUNDAY

Television and Radio schedule for Sunday, listing programs for various channels like BBC1, BBC2, Granada, Yorkshire, Radio, Scottish, TSW, TVS, Tyne Tees, Grampian, Ulster, Channel 4, S4C Wales, and Anglia.